

CONGRESSIONAL DIGEST

PRO & CON

November, 1934

Investigating the Munitions Industries

Munitions Procurement in U. S. Since 1774

President Roosevelt's Message to the Senate

The Pending Treaty to Control Trade in Arms

How the Nations Get Their Armaments Today

The Senate Investigating Committee at Work

Should Governments Exercise Direct Control
of Munitions Industries?

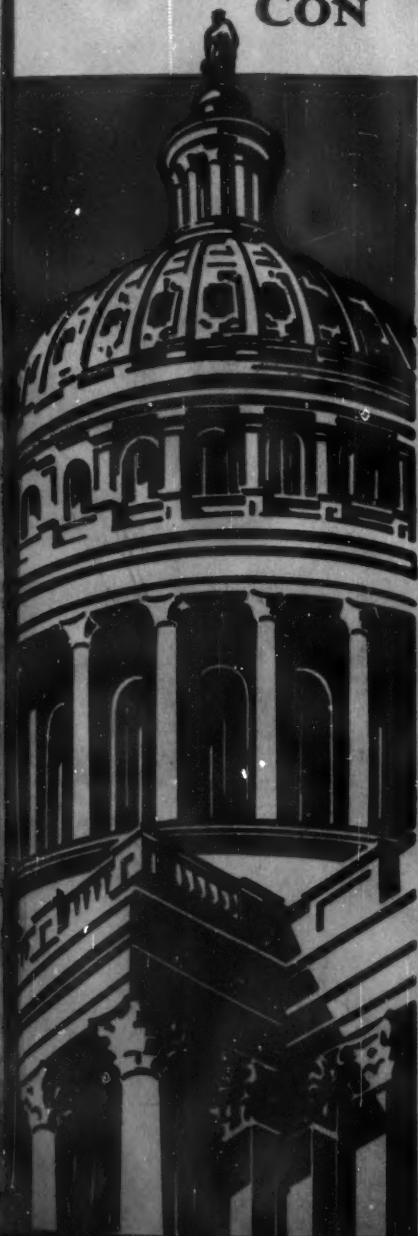
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Should Governments Exercise Direct Control of Munitions Industries ?

Analysis of the Problem with Study Outline

EVER since the signing of the Versailles Treaty of Peace the question of the manufacturers of munitions and the influence they have, or have not, in the fomenting of war, has been the topic of widespread international speculation and discussion.

In 1921 the League of Nations appointed a committee to investigate the private manufacturers of munitions.

In 1922 the American Government called a conference of the leading naval powers to meet in Washington and agree to a reduction in naval armaments.

In 1924 the League of Nations drew up the outline of a treaty for international regulation of the shipment of arms, which was negotiated in 1925 and is now in the course of ratification by various nations.

That the nations have not gone further toward armament reduction is due, in the opinion of one school of thought, to the exercise of obstructive influence by the munitions manufacturers, by whom is meant chiefly the manufacturers of powder and other military explosives; the manufacturers of guns; the shipbuilders who contract with governments to build naval vessels, and the manufacturers of aircraft and aircraft equipment.

The opposing school of thought holds the view that the development of munitions manufacture is a result and not a cause; that wars are brought on for other reasons entirely, and that munitions factories are essential to any country in its general plan of self-defense.

At present the focal point of the discussion of this question is the Special Committee of the United States Senate, Investigating the Munitions Industry.

This committee was appointed following the adoption of a Senate resolution jointly introduced by Senators Gerald P. Nye of North Dakota and Arthur H. Vandenberg of Michigan.

Beginning open hearings on September 1, the committee continued them almost daily until September 21, when it took a recess, because of the Congressional campaign, to meet again and continue its hearings early in December.

The object of the committee is to gather all the facts it can; to discover the ownership and connections of all munitions manufacturers and to throw all light possible on the national and international trade in arms and armaments.

No time limit has been set on the duration of the investigation and Senator Nye feels that many weeks will yet be spent before the committee can bring the hearings to an end and formulate a report to the Senate.

Members of the committee have so far refrained from expressing any opinion as to the form of legislation they will recommend. Senator Nye, chairman of the committee, has, however, outlined the legislative possibilities without advocating any of them. His speculation as to these possibilities will be found in his article beginning on page 266.

In the meantime, however, the Senate, on June 15, ratified, with reservations, a Treaty for the regulation of traffic in arms, which was outlined by the League of Nations in 1924 and negotiated in 1925.

That treaty, however, does not go far enough for those who feel that strict curtailment of the manufacture of munitions in all countries is absolutely essential to the warding off of war.

In the absence of absolute disarmament, many peace advocates are convinced that the next best thing is to reduce the manufacture of the munitions of war down to the point of barest necessity for national defense.

A large proportion of those who hold this view feel that the best way to bring this about is to abolish the private manufacture of munitions in favor of sole Government manufacture.

As long as there is profit in the manufacture of munitions, they maintain, private manufacturers will be tempted to "push" their products. They will urge a nation to buy the latest model war vessels, aircraft, guns, powder, etc., in order to protect itself, and then use the sales to this one nation to force the next nation to buy, also.

By having the Governments, alone, manufacture munitions, the profit motive would be destroyed and a race in armaments would be obviated.

This argument is answered with the reply that if the Governments were the sole manufacturers they would be forced to maintain expensive plants with large numbers

of employees; that politics would inevitably enter in and that any attempt to keep down Government plants or in anywise reduce their production would result in pressure on the part of politicians and labor to keep them going to provide work. As an example, those who take this view cite Russia, all of whose munitions plants are Government owned. The Russian army, they point out, is the largest in the world today.

Some outstanding peace advocates take the view that neither government ownership nor international regulation can accomplish the desired end—abolition of war. Seeking total disarmament as the final aim, they hold that, although the method is less spectacular and more tedious, the only way to guarantee peace is to develop the understanding among the peoples of all nations that war is useless, costly and proves nothing and that by thus nullifying the will to war, the implements of war will become undesired and the manufacture of munitions will fall away as a natural consequence.

Another class, strong advocates of adequate national defense, answer the attacks against American munitions manufacturers by stating that the greatest guarantee against loss of life to America is to maintain up-to-date, privately-owned and operated munitions plants, which, in times of peace, can be kept going by a few Government contracts and by manufacturing other articles but which, in time of war, may be promptly geared to war production.

While the pending Treaty for the international regulation of traffic in arms specifies definitely what implements of war consist of, so far as the terms of the treaty are concerned (see page 264) the World War proved that almost every product was found on the list of "munitions of war."

The political line-up on the controversy, so far as the Senate is concerned, does not now and will not likely in the future follow the regular party lineup. There are Republicans and Democrats on both sides of the question.

Senator Nye, chairman of the investigating committee, is a progressive Republican. Senator Vandenberg, joint author of the resolution creating the committee, also is a Republican. Four of the remaining members of the committee are Democrats and the fifth is a Republican.

The division, when it occurs, probably will be along the general lines of private ownership versus government ownership.

The strong trend under the New Deal toward increasing extension of government control of everything finds most of the Democrats and the progressive Republicans advocating more and more government control.

Study Outline

Those students who use the DIGEST Teaching Plan* should consider the legislative procedure involved in both the ratification of the treaty for international control and whatever legislation may be recommended by the Investigating Committee.

The procedure with treaties is this:

One or more nations, through their executive heads, hold preliminary conferences as to the general terms of a treaty they desire to consider. A tentative outline, known in diplomatic parlance as an agenda, is drawn up.

* Handbook for "Teaching American Government and Politics by the Laboratory Method" published by THE CONGRESSIONAL DIGEST (furnished free to instructors using the DIGEST).

This outline contains the points to be considered. Each nation then appoints official commissioners to meet and negotiate the treaty. These preliminary arrangements are made through the foreign offices, or departments of State.

Upon reaching an agreement, the commissioners sign it, in treaty form, and take it back to their respective governments for ratification.

Different governments have different methods of ratification.

The Constitution of the United States contains the following provision covering treaties:

Art. II, Section 2; Par. 2:

He (the President) shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur . . .

This means that the President, through the Department of State, negotiates treaties, but that they cannot be finally ratified in the name of the American Government unless two-thirds of the Senate approve.

After a treaty has been negotiated and returned to the President, the President sends it to the Senate where it is referred to the Committee on Foreign Relations. That committee discusses it and if it approves, reports it to the Senate.

When a treaty reaches the floor of the Senate it is considered in executive session, which may be either a closed session or an open session, according to the decision of the Senators.

Any legislation that may be proposed by the Senate Munitions Committee will follow a different parliamentary course from that followed by a treaty.

First the investigating committee will meet, after the ending of its hearings, and formulate a report recommending a specific type of legislation. It will probably frame a bill embodying these recommendations, which will be introduced by the chairman. If the committee is in unanimous agreement, it will so report. If not, there may be a minority report with a suggestion for different legislation or the statement that no legislation is necessary.

When the committee bill or any other bill on the subject is introduced in the Senate it will be referred to one of the regular standing committees.

This committee will then conduct hearings and the final shaping of the legislation will begin.

Officers of the army and navy have so far expressed no opinions on the progress of the Nye Committee. The reason for this is that they have not been instructed to do so.

If they are called before the Nye committee they will go and answer all questions put to them. It is more likely, however, that the official view of the army and navy will finally be presented in full to the regular standing committee of the Senate which considers the legislation recommended by the Investigating Committee.

Students who consider the question of munitions control as a committee may, therefore, form themselves either into the Investigating Committee or one of the standing committees.

Presumably such a bill would be referred to the Committee on Military Affairs, but there is no strict rule in the Senate and the Senate will decide when presented with the actual bill, which committee it will be referred to.

Continued on page 267

How America Has Procured

Munitions, Since 1774

1774—Because of the friction that had developed between the American Colonies and the British Government preceding the Revolution, the British Government forbade the shipment of arms from England to the Colonies. However, the Colonies had plants of gun makers, who had for years been making rifles and shotguns for hunting and for use against the Indians. It was estimated that these gunsmiths could turn out 100,000 guns in a year at a cost of 28 shillings each.

There were in existence, also, a few powder factories, located principally in New York.

1775—On May 15 the Continental Congress appointed a committee to consider ways and means to supply the Colonies with ammunition and military stores.

On June 15, the Continental Congress passed an Act placing George Washington in command of the Continental Army and authorizing him to appoint a Commissary General of Artillery Stores.

On July 3 George Washington took command of the armies at Cambridge, Massachusetts. One of his principal troubles was a lack of ammunition, and he had to wait for several weeks on that account before joining issue with the British troops.

On July 15 the Congress passed a resolution to the effect that every vessel importing gun-powder, saltpeter, sulphur, brass, field pieces or "good muskets fixed with bayonets" should be permitted to load and export produce of the Colonies to the value of the munitions it imported. This was an exemption from the embargo which had been set up against the shipment of all Colonial products. The resolution provided also for the purchase of these imported munitions.

On August 15 General Washington appointed Ezekiel Cheever Commissary General of Artillery stores and he and his officers organized the special branch of the army with the specific task of providing ordnance.

Special committees of the Continental Congress were appointed to negotiate contracts for arms and ammunition.

On September 18 the Congress appointed a committee of nine of its members, known as "The Secret Committee" for the procurement of munitions. This was all done before the actual Revolution occurred and before the Declaration of Independence was signed (July 4, 1776).

On November 20 the Congress authorized the Secret Committee to contract for the importation of 100 tons of lead and, later, authorized it to import 20,000 stands of arms, 300 tons of lead, 1,000,000 flints, 1,500 boxes of tin and wire and 500 sheets of copper.

1776—On January 15, a special committee of the Congress was appointed to make an estimate of the number of cannon needed.

On February 20 Congress authorized this committee to

purchase 250 twelve-pounders, 60 nine-pounders and 62 four-pounders.

Additional orders for artillery were given from time to time to the domestic factories which were being developed. These were mostly in Pennsylvania, and Philadelphia became one of the centers of activity.

1776—On June 12 the Congress created "The Board of War and Ordnance" consisting of five members of the Congress. This Board and the Secret Committee worked together to organize methods of procurement of munitions.

1777—On October 18 the Congress passed an Act providing that thereafter the Board of War should be composed of civilians, not members of Congress.

The American Government was yet to be organized. Compared to the present day arrangement, it might be said that the Continental Congress Secret Committee performed the functions now performed by the House and Senate Committee on Military Affairs and Appropriations in considering the necessary legislation and the appropriation of funds for the procurement of munitions; the Board of War carried out the program and was the forerunner of the War Department, while the Commissary General of Military Stores did the work now done by the Bureau of Ordnance and the Quartermaster General's office of the Army.

Setting to work to prepare the Colonies for the Revolution these agencies found that while some arms were available, powder was scarce. Each Colony was notified to call upon its inhabitants to collect all the saltpeter, or rock salt (potassium nitrate) and sulphur they could find and ship it to designated central points. New York, where practically the only powder mills were located, was urged to have these mills put into condition to immediately manufacture powder "for the use of the Continent" out of whatever materials could be produced or collected. The Congress agreed to pay for these materials out of Continental funds.

1778—By the beginning of the third year of the Revolution the procurement of munitions for the Continental Armies had become well organized.

General Tschappatt cites three principal sources of Colonial munitions supplies: (1) capture of enemy supplies on the sea whenever possible; (2) stimulation of importation of arms, powder and raw materials by granting ship masters the privilege of exporting stores of various kinds if they imported munitions, and (3) stimulation by every means possible of the production of arms and ammunition in the Colonies. By this time the war organization had been set up as the Board of War and Ordnance. Authority was closely held by Congress, but actual operation was performed by the Board.

1783—Although Cornwallis surrendered at Yorktown, Va., October 19, 1781, the treaty of peace was not signed until 1783, and in this year Congress began in earnest to demobilize the army.

On April 17 a resolution was passed directing the sale of "all such material in the several military departments

as may not be necessary for the use of the army; previous to its reduction, or for the formation of magazines on a peace establishment."

The selling went on so fast that Congress adopted another resolution forbidding the sale of any more war material without express Congressional authority, and, on May 3, passed a special resolution ordering the officer in charge of military stores to return to the City of New York the bells which had been taken from the churches and other edifices of that city to be melted and made into cannon, if necessary. Apparently the bells had not been broken up and New York City had to appeal to Congress to recover them, lest they be sold as surplus war material.

1788—The Constitution of the United States was ratified. Following are the provisions of the Constitution, and subsequent Amendments, granting authority under which Congress passes and the President administers laws for National defense, procurement of munitions, etc.

ARTICLE I. Section 8. Par. 1. The Congress shall have Power To * * * provide for the common Defense and general Welfare of the United States.

Par. 11. To declare War, grant Letters of Marque and Reprisal, and make Rules concerning Captures on Land and Water.

Par. 12. To raise and support Armies, but no Appropriations of Money to that Use shall be for a longer Term than Two Years.

Par. 13. To provide and maintain a Navy.

Par. 14. To make Rules for the Government and Regulation of the land and naval Forces.

Par. 15. To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions.

Par. 16. To provide for organizing, arming, and disciplining the Militia, and for governing such Part of them, as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress.

Section 10. Par. 3. No State shall, without the Consent of Congress, lay any duty of Tonnage, keep Troops, or Ships of War in time of Peace, enter into any Agreement or Compact with another State, or with a foreign Power, or engage in War, unless actually invaded, or in such imminent Danger as will not permit delay.

ARTICLE II. Section 2. Par. 1. The President shall be Commander in Chief of the Army and Navy of the United States, and of the Militia of the several States, when called into actual Service of the United States. * * *

Section 3. Par. 1. He (the President) shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient.

AMENDMENT II. A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed.

AMENDMENT III. No Soldier shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.

1789—Soon after it first met in New York, following the ratification of the Constitution, the First Congress of

the United States appointed a committee to make a complete investigation of the Board of War and Ordnance.

This was the first of the Congressional post-war investigations which have followed regularly after every war in which the United States has ever been engaged.

The committee reported that arms and ammunition were deposited in eight places—Providence, Rhode Island; Springfield, Massachusetts; Mohawk River and West Point, New York; Philadelphia, Pennsylvania; New London, Connecticut; Manchester, Virginia, and Charleston, South Carolina. The arsenals at Springfield, West Point and Philadelphia were characterized as important, the other places being places for the temporary accommodation of stores.

1794—President Washington was authorized by Congress to procure 350 cannon and 250 tons of cannon shot for the defense of the harbors from Maine to Georgia.

In April of this year Congress appropriated \$50,000 for the establishment of four arsenals. Springfield, Mass., and Harper's Ferry, Va. (now W. Va.), were designated as the location of two of them.

1798—In May of this year Congress appropriated \$800,000 for the procurement of munitions and \$100,000 additional for hiring or building foundries for casting cannon.

During this period Congress experimented with the business organization of the Government. At one time the Treasury Department made all purchases for the War Department. Later the office of Purveyor of Supplies was established in the Treasury for the purchase of all government supplies. Later this was changed, so far as the procurement of munitions were concerned, and the War Department was charged with that responsibility.

1812—Conditions were easier for the new Republic than they had been for the early Confederation of States. So far as arms and ammunition for the War of 1812 were concerned the United States was reasonably well cared for.

The Government was making much of its heavy ordnance and the various Indian wars following the Revolution had kept the powder makers fairly busy.

The Navy Department had been organized in 1798 and had been through the campaign against the pirates off the coast of Algiers. With the experiences of the Revolution behind them the manufacturers of rifles and guns had continued to improve their product. The war which began in 1812 and ended in 1814 saw similar improvement in American powder.

In 1800 Pierre S. du Pont de Nemours, who had become an intimate of Thomas Jefferson's in Paris while the latter was American Ambassador there, came to America as a refugee. After trying to develop land and to start a French-American passenger-ship service, Pierre du Pont and his son E. I. du Pont, began, in 1803, the manufacture of powder, the son having studied chemistry in France.

Together with other powder manufacturers, the du Pont Company sold powder to the Government, and at the outbreak of the War of 1812 began receiving large orders from both the Army and the Navy. At that period the Government furnished the saltpeter and paid the powder manufacturers.

1820—Congress conducted an investigation into the

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"New Deal" Action On

Munitions Question

ON May 18, 1934, President Roosevelt sent the following message to the Senate, approving the munitions investigation (see page 264) and calling attention to the fact that the treaty for international control of the shipment of arms, negotiated in 1925 had not been ratified by the Senate:

The President's Message to the Senate

I HAVE been gratified to learn that, pursuant to a Resolution of the Senate, a Committee has been appointed to investigate the problems incident to the private manufacture of arms and munitions of war and the international traffic therein. I earnestly recommend that this Committee receive the generous support of the Senate in order that it may be enabled to pursue the investigation with which it is charged with a degree of thoroughness commensurate with the high importance of the questions at issue. The Executive Departments of the Government will be charged to cooperate with the Committee to the fullest extent in furnishing it with any information in their possession which it may desire to receive, and their views upon the adequacy or inadequacy of existing legislation and of the treaties to which the United States is a party for the regulation and control of the manufacture of and traffic in arms.

The private and uncontrolled manufacture of arms and munitions and the traffic therein has become a serious source of international discord and strife. It is not possible, however, effectively to control such an evil by the isolated action of any one country. The enlightened opinion of the world has long realized that this is a field in which international action is necessary. The negotiation of the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, June 17, 1925, was an important step in the right direction. That Convention is still before the Senate. I hope that the Senate may find it possible to give its advice and consent to its ratification. The ratification of that Convention by this Government, which has been too long delayed, would be a concrete indication of the willingness of the American people to make their contribution toward the suppression of abuses which may have disastrous results for the entire world if they are permitted to continue unchecked.

It is my earnest hope that the representatives of the nations who will reassemble at Geneva on May 29 will be able to agree upon a Convention containing provisions for the supervision and control of the traffic in arms much more far reaching than those which were embodied in the Convention of 1925. Some suitable international organization must and will take such action. The peoples of many countries are being taxed to the point of poverty and starvation in order to enable governments to engage

in a mad race in armament which, if permitted to continue, may well result in war. This grave menace to the peace of the world is due in no small measure to the uncontrolled activities of the manufacturers and merchants of engines of destruction, and it must be met by the concerted action of the peoples of all nations.—See 13, p. 288.

The Senate Ratifies the Trade in Arms Treaty

ON June 15, 1934, the Senate, without a record vote, ratified the Trade in Arms Treaty, with two reservations, one providing that the ratification by the United States should not take effect until the treaty has been ratified by Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden and Russia and the other offered by Senator William H. King, Utah, D., providing that adherence to the treaty should not be construed as "denying any right or sovereignty which the Kingdom of Persia may have in or to the Persian Gulf or the waters thereof."

So far the following ratifications by other governments have been announced:

(1) Belgium: to the same extent as does the effect of the Convention apply in the United States of America, Austria, France, Great Britain, Czechoslovakia, Germany, Italy, Japan, Spain, Sweden, Switzerland; (2) British Empire: does not bind India or any British Dominion which is a separate Member of the League of Nations and does not separately sign or adhere to the Convention. Moreover Great Britain's ratification will not become effective until the ratifications are made by Austria, Belgium, Czechoslovakia, Germany, Italy, Japan, Spain, Sweden and United States of America. (3) The ratification by France will not become effective until the ratifications of the Convention by Belgium, Czechoslovakia, Italy, Japan, Sweden and the United States of America have become effective in accordance with Article 41 of the Convention. (4) Sweden: Subject to the condition that this ratification will only take effect when the other producing States shall have ratified the Convention.

What the Treaty Provides

THE Treaty for the international control in trade in arms was negotiated and concluded at Geneva, May 4 to June 17, 1925.

The American delegation was composed of the late United States Senator Theodore Burton of Ohio, chairman; Hugh Gibson, vice-chairman; Admiral Andrew T. Long, U.S.N.; Allen W. Dulles and Brigadier General Colden L.H. Ruggles.

In a report to the Secretary of State on December 16, 1925, Senator Burton gave the following explanation of the provisions of the treaty and the position taken by the American delegation:

Scope of the Convention

"(1) In Articles 1 to 5 of the Convention provision is made for the supervision of the international trade in arms, munitions and implements of war with a view to keeping such trade within the proper channels. This control of the trade is to be exercised by each sovereign state within its own territory according to its own laws enacted or to be enacted to make the Convention effective.

"(2) A system of publicity is provided for the international trade in the implements of war comprised in Categories One and Two, that is,—arms exclusively designed for war and those susceptible of use both in war and for peaceful purposes. Provision is also made for publicity for the trade in aircraft and aircraft engines and for publicity of the most detailed character in connection with the sale or transfer of any vessel of war.

"(3) Provision is made for special control with regard to the shipment to, and the disposition of arms within, certain areas of the world where, experience has shown, there is particular need for close supervision of the arms traffic. These areas include Central Africa and the territory formerly a part of the Ottoman Empire but now detached from Turkey as defined in Article 12 of the Convention.

American Interests Involved

"(1) The United States has for some time given full publicity to the statistics of its foreign trade, including publicity of its trade in war material. The American Delegation therefore felt that it would be according to American traditions of publicity and frankness to agree to continue such publicity and that it would be in our interest that other countries should likewise make public their trade in arms.

"(2) The method of supervision provided for in the Convention for the trade in arms is adapted to meet the special conditions existing in the United States. In particular it should be noted that the forms now used for export declarations are specifically recognized in the Convention and it is provided that these forms may, under certain safeguards, be employed to secure the requisite control and publicity. Thus the necessity for the creation of elaborate boards of control for the issuing of licenses in individual cases of shipments of arms is obviated.

"(3) The Convention does not provide for the control of the international trade in arms by any international body. Each country is to exercise its control within its own jurisdiction and according to its own laws, without dictation, advice or interference by any international commission.

"(4) In connection with the provision for the enforcement of a strict control of the arm trade within certain areas of Africa and Asia, the American Delegation, while recognizing the reasons for such a control and agreeing that shipments from the United States to the areas in question should be under strict supervision as far as their clearance from the United States was concerned, proposed and secured the insertion in the Convention, in Article 27, of a provision that would relieve the United States from any responsibility with respect to the application of this régime in territorial or maritime zones beyond the jurisdiction of the United States.

"(5) The present Convention, superseding as it would the applicable provisions of the Brussels Act of 1890 and the unratified Saint Germain Convention, helps to clarify the situation and defines the conditions under which arms

shipments from this country may properly be permitted. Its provisions would in no way conflict with the control which may now be exercised with respect to the export of arms to certain countries under existing provisions of American law.

Conclusions

"The delegates at the Conference impressed upon the American Delegation their view that any international convention for the control of the trade in arms would be ineffective unless adhered to by the United States, one of the important arms producing powers. With a view to facilitating American adherence, the Conference did not press for the inclusion of any provision for the supervision or control of the arms trade by an international commission, recognizing that such control would be unacceptable to this Government. Further, the various proposals advanced from time to time by the American Delegation received the full and sympathetic consideration of the Conference and in every case where American principles and interests were involved, solution which the American Delegation considered acceptable were adopted. The American Delegation desire to record their recognition of this attitude and, in submitting this treaty, to state that in their opinion the success or failure of the entire Convention will be in no small measure dependent upon the attitude assumed by the American Government in the matter.

"While registering this view, the American Delegation would point out that in their opinion the adherence of all the important arms-producing powers, and not only that of the United States, is essential to the realization of the objects of the Convention. For the United States to ratify and to make the Convention effective prior to the ratification by other arms-producing powers would only result in placing a premium upon non-ratification by certain producing powers, since they would then be free to sell arms to other powers without control and without publicity. If, therefore, the Convention meets with the approval of the Senate, and if the legislation which will be necessary to make it effective in the United States is assured, the delegates of the United States consider that the deposit of ratifications on the part of the United States should be conditioned upon the deposit of ratifications by other great producing powers of the world. The American Delegation would not of course suggest any delay in the submission of the Convention to the Senate or its consideration by that body, but considers that in the event of Senatorial approval the deposit of ratifications, which would make the Convention binding upon the United States if thirteen other Powers deposit ratifications, should only take place when among the ratifying powers are included the other principal arms producing States.

"The American Delegation appreciates that the present Convention does not specifically provide for any restriction in the volume of the trade in arms, although the control of this trade should indirectly result in such restriction through the reduction of the illicit traffic in war material. It is felt, however, that pending the realization of a definite disarmament program it would be futile, and possibly harmful, as indicated above, to attempt the arbitrary restriction of the trade in war material, which would place the non-producing powers at the mercy of the producing powers, force production by all powers and, far from accomplishing the purposes of disarmament, might tend toward the increase of the military establishment of certain powers."

Classification of Munitions

Plants in Various

Countries

Country	State-owned Plants	State-subsidized Plants	Private Plants
Afghanistan ..	1 repair plant	none	none
Albania	none	"	"
Australia	2 arms & amm. plants	"	1 airplane firm
	1 dockyard		
Austria ^a	1 army arsenal	2 amm. plants 1 powder plant	none
Belgium	2 arms, amm. & repair plants	none	6 arms & amm. firms 3 powd. & explosive firms
Bulgaria ^a	1 arms & amm. plant	"	none
Chile	1 army arsenal	"	"
China	none	"	"
Denmark	7 army & navy arsenals, laboratories, workshops	"	3 arms & amm. firms
Egypt	none	"	none
Estonia	"	"	"
Finland	3 arms & amm. plants 1 airplane plant 1 naval dockyard	"	1 shipyard
France	18 arms, amm. & powder plants 6 naval artillery plants 4 naval construction plants	"	80 arms & amm. firms 21 aircraft firms 6 engine firms
German ^a	1 naval dockyard	1 naval dockyard	particulars not given
Greece	1 airplane plant ^a	none	1 cartridge firm
Hungary ^a	1 arms & amm. plant	3 small arms & cartridge plants	none
India	6 arms & amm. plants	none	"
Iraq	none	"	"
Irish Free State	"	"	"
Italy	9 army arsenals and powder plants 2 naval dockyards	2 arms plants 2 shipyards	particulars not given
Japan	particulars not given	particulars not given	"
Latvia	1 arsenal	1 amm. plant	none
Lithuania	2 repair plants	none	"

Country	State-owned Plants	State-subsidized Plants	Private Plants
Netherlands ..	military arsenals	"	2 arms & amm. firms
New Zealand ..	none	"	1 small arms & amm. firm
Norway	4 arms & amm. plants 1 airplane plant 2 workshops 1 naval dockyard	"	1 projectile firm
Panama	none	"	none
Persia	particulars not given	particulars not given	particulars not given
Poland	4 arms & amm. plants 1 airplane plant	2	9 small arms & amm. firms
Portugal	1 arms & amm. plant	none	none
Rumania	3 arsenals ^a 1 air arsenal ^a 3 naval yards ^a	1	5 small arms firms ^a
Russia	(details not available)	none	none
Siam	2 repair plants	none	none
Sweden	2 munitions plants 2 dockyards 2 aircraft plants	"	5 arms, amm. & air firms
Switzerland ...	4 arms & amm. plants	"	4 arms & amm. firms 5 airplane & eng. firms none
South Africa ..	1 aircraft plant	"	"
Turkey	arsenals under Ministry of Natl. Def.	"	"
United Kingdom	5 arms & amm. plants 3 naval dockyards	"	particulars not given
United States ..	6 army arsenals 5 navy yards 5 naval ordnance and aircraft plants	"	60 arms & amm. and airplane firms
Venezuela	none	"	none
Yugoslavia	1 arsenal 1 aircraft plant	5 airplane plants	3 small arms & amm. firms 2 dockyards

Table taken from *Foreign Policy Reports*, August 16, 1933.

^aManufacture limited by treaties of peace.

^bFactory operated by a British aviation company under supervision of state.

^cFactory engaged primarily in repairs.

A Special Senate Committee Investigates the Munitions Industries

ON March 12, 1934, Senator Gerald P. Nye, North Dakota, Republican, and Senator Arthur H. Vandenberg, Michigan, Republican, joined in offering a resolution for the appointment of a special committee of the Senate to investigate the manufacture and sale of munitions of war. The resolution was referred, first to the Committee on Military Affairs, which reported it, amended, on March 19. It was then referred to the Committee on Audit and Control of Contingent Expenses of the Senate (since it called for an appropriation out of the contingent fund of the Senate) and reported by that committee on April 2. On April 12 it was passed.

The full text of the Nye-Vandenberg resolution (Senate Resolution 206, 73d Congress, 2d session) follows:

Whereas the influence of the commercial motive is an inevitable factor in considerations involving the maintenance of the national defense; and

Whereas the influence of the commercial motive is one of the inevitable factors often believed to stimulate and sustain wars; and

Whereas the Seventy-first Congress, by Public Resolution Numbered 98, approved June 27, 1930, responding to the long-standing demands of American war veterans speaking through the American Legion for legislation "to take the profit out of war," created a War Policies Commission which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof; and

Whereas these recommendations never have been translated into the statutes: Therefore be it

Resolved, That a special committee of the Senate shall be appointed by the Vice President to consist of seven Senators, and that said committee be, and is hereby, authorized and directed—

(a) To investigate the activities of individuals, firms, associations, and of corporations and all other agencies in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof; and

(b) To investigate and report upon the adequacy or inadequacy of existing legislation, and of the treaties to which the United States is a party, for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries; and

(c) To review the findings of the War Policies Com-

mission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution; and

(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, and to submit recommendations thereon.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Following the adoption of the Nye-Vandenberg Resolution, a special committee of the Senate was appointed, the members of which are:

Gerald P. Nye, North Dakota, Republican, *Chairman*.
Walter F. George, Ga., Bennett Champ Clark, Mo., Homer T. Bone, Wash., James P. Pope, Idaho, *Democrats*.
Arthur H. Vandenberg, Mich., and W. Warren Barbour, N. J., *Republicans*.

After organizing, the committee began its open hearings on September 1, 1934, continuing them almost daily until September 21, when it took a recess to meet again at the call of the chairman, tentatively early in December.

During its sessions the committee heard officials and representatives of eight organizations:

The Electric Boat Company, the Driggs Ordnance and Engineering Company, the American Armaments Corporation, the Curtiss-Wright Corporation, the United Aircraft and Transportation Corporation, Federal Laboratories, United States Ordnance Engineers and the E. I. du Pont de Nemours Co.

Munitions Industries in the United States

THE following list includes all classes of makers of arms, ammunition and warcraft, some important and others unimportant in the present munitions investigation.

GOVERNMENT OWNED MUNITIONS PLANTS.

The U. S. Army.

Maintains arsenals and armories for the manufacture of ordnance at Springfield, Mass.; Watertown, Mass.; Watervliet, N. Y.; Picatinny (Dover), N. J.; Frankfort (Philadelphia) Pa., and Rock Island, Ill.

The U. S. Navy.

Maintains navy yards for the construction and repair of naval vessels at Portsmouth, N. H.; Boston, Mass.; Brooklyn, N. Y.; Philadelphia, Pa.; Norfolk, Va.; Charleston, S. C.; Puget Sound, Wash.; Mare Island, Calif.; and Washington, D. C.

The navy yard at Washington, D. C., is the only one at which guns are made.

Testing and proving ground for ordnance are maintained by the navy at Dahlgren and India Head, Md., near Washington, D. C.

PRIVATELY OWNED PLANTS

Explosives and Gunpowder

E. I. du Pont de Nemours Co., Wilmington, Del.

Hercules Powder Co., Wilmington, Del.

Western Powder Manufacturing Co., Peoria, Ill.

King Powder Co., Cincinnati, O.

Moore, du Val and Co., San Francisco, Calif.

Note: These are the larger manufacturers of commercial and military explosives, the former for use in mining, engineering and general blasting work, the latter for ordnance and bombing work by the armed forces. Also manufacturers of shotgun and other sporting powders.

Naval Ship Construction and Repair

Bethlehem Shipbuilding Corporation, Quincy, Mass. (Subsidiary of Bethlehem Steel Co. Plants at Fore River, Mass.; Baltimore, Md.; Wilmington, Del., and San Francisco, Calif.)

Newport News Shipbuilding and Drydock Co., Newport News, Va.

New York Shipbuilding Co., Camden, N. J.

Bath Iron Works, Bath, Me.

Electric Boat Co., Groton, Conn.

Federal Shipbuilding and Drydock Co., Kearny, N. J.

United Drydocks, Inc., New York.

Note: These are established shipyards for the construction and repair of merchant and naval vessels for domestic and foreign account.

Airplanes and Aeronautical Products

Curtiss-Wright Corporation, New York.

Stinson Aircraft Corporation, Wayne, Mich.

United Aircraft and Transport Corporation, New York.

General Aviation Manufacturing Corporation, New York. (Subsidiary of General Motors Corporation.)

Ford Motor Company, Dearborn, Mich.

Bellanca Aircraft Corporation, New Castle, Del.

Waco Aircraft Co., Troy, O.

Glenn L. Martin Co., Baltimore, Md.

Note: These are the principal companies, several of them having important subsidiaries, which manufacture practically all of the airplanes and airplane products in the United States.

Firearms and Ammunition

Colt's Patent Firearms Co., Hartford, Conn. (makers of pistols, machine guns, rifles, etc.; also washing machines and other purely commercial products.)

Remington Arms, Bridgeport, Conn. (sporting and military firearms and various other commercial products.)

Winchester Repeating Arms Co., owned by Western Cartridge Co. (makers of firearms and ammunition for sporting and military purposes).

Savage Arms Corporation, New York (makers of cartridges, rifles, pistols, washing machines, etc.).

Auto Ordnance Co., New York. (holding company of patents on Thompson submachine gun.)

Driggs Ordnance and Engineering Co., New York (makers of light artillery, naval ordnance, special ammunition).

Smith and Wesson, Springfield, Mass. (makers of revolvers and pistols).

Johnson's Arms and Cycle Works, Fitchburg, Mass. (makers of small arms for sporting use, bicycles, etc.).

Marlin Firearms Co., New Haven, Conn. (makers of rifles and shotguns).

Shells, Cartridges and Ammunition

Western Cartridge Co., East Alton, Ill. (owns Winchester Arms Co., Equitable Powder Manufacturing Co., Egyptian Powder Co. and Western Powder Manufacturing Co.)

Federal Cartridge Corporation, Minneapolis, Minn.; King Powder Co., Cincinnati, O.; Peters Cartridge Co., Kings Mills, O.; Hoffman and Bryan, Findlay, O.

Note: These firms manufacture various types of shells and torpedoes.

Glossary of Armament Terms

As Defined in Treaty for Arms Trade Control

Category I. Arms, ammunition and implements of war exclusively designed for land, sea or aerial warfare

A—Arms, ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are or shall be comprised in the armament of the armed forces of any State, or which, if they have been but are no longer comprised in such armament, are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered by other Categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

1. Rifles, muskets, carbines.
2. (a) Machine-guns, automatic rifles and machine-pistols of all calibres;
(b) Mountings for machine-guns;
(c) Interrupter gears.
3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above.
4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus.
5. (a) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.);
(b) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above;
(c) Mortars of all kinds;
(d) Gun carriages, mountings, recuperators, accessories for mountings.

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Should Governments Exercise Direct Control of Munitions Industries?

P R O

Arguments Favoring

THERE may be doubt as to the degree but there is certainty that the profits of preparation for war and the profits of war itself constitute the most serious challenge to the peace of the world.

That war and preparation for it does pay profits to some few is no longer denied. The World War created thousands of new American millionaires, and moved some millionaires into the neighborhood of the billionaire class. The magnitude of the World War profits of some corporations can properly be called ungodly. Assuredly, there is profit in war.

There is coming forth now large evidence revealing how profitable is this worldwide business of whipping up froths of hatred, suspicion and fear between peoples such as occasion larger and ever larger programs of preparation for war.

Perhaps one would not object to the mere fact that men profited from an industry whose gain depended upon ability to keep nations frightened of one another were it not for the fact that this fright and preparation for war invariably leads to disaster for millions of people and governments, disaster such as came to visit us during the World War and became a visitor we are not yet rid of by a long way. It has always lead, as it will of certainty continue to lead, to more war, to more millions of deaths, to losses of limbs, lungs and minds, and to more debt for generations yet unborn to bear.

Our present day ought need no reminder of what disaster comes with and follows war. There is hardly a community in America without its aching hearts because of deaths upon the battlefields and in hospitals; not a neighborhood free from its every day's reminders of what war did to limbs, bodies and minds; not a home but is aware of the tremendous debt and economic wreckage blocking the path of progress to this day. None today need be in ignorance of what war leaves in its wake.

Though the experience of war is near to all of us, and to all the world, there is little evidence that there is knowledge of its consequences. We are but 15 years removed from the immediate demands and costs of war, we are living in years that find the world crushed by debt, but all the world feels itself near to more war with few, indeed, wanting it. But 15 years away from the last war, every nation practically bankrupt as a result of it, yet these nations find it possible to spend seven billion dollars a year getting ready for more war! Only 15 years removed from that day of Armistice, culminating a war to end war, when we surveyed its terrors, lifted our faces and hands to heaven and swore, "never again shall this happen!" Yet here today is this world spending in preparation for another war more than was ever spent in peace

by

Hon. Gerald P. Nye

U. S. Senator, N. Dak., Republican

Chairman, Munitions Investigating Committee

times before. What manner of civilization is this, anyway?

Coming out of the World War with high resolves we were bent upon accomplishing large measure of disarmament. Today that effort has been counted a flat failure. World travelers come with their findings of dread and dislike of the thought of more war but

resignation to it everywhere. Certainly this is not a natural state of affairs. What is behind, what is moving the world mind in these hours? I wonder if this fear of more war and preparation for it is what President Roosevelt once declared to be "an apprehensive habit of mind?" Or did Lord Cecil put his finger on the whole or greater part of the trouble when he declared:

"There is a very sinister feature to all the disarmament discussions. I refer to the tremendous power wielded against all the proposals by armament firms."

In light of the known reactions of some of our American representatives to disarmament discussions, I think it altogether fair to repeat that the profits of war and preparation for it constitute the most serious challenge to world peace, and to say that the removal of the element of profit from war would materially remove the danger of more war. My conviction is that if there was not the urge for profit from the sale of instruments of war this mad competition which the world experiences now in a military way could quickly be made to vanish.

I believe in an adequate national defense. I want my country to be adequately prepared to defend itself successfully against any possible foe. No nation on earth is so fortunately located as ours from the standpoint of difficulty if not impossibility of attack. Our rugged shores, thousands of miles removed from possible foes, should make our national defense quite simple. Then why are we found today spending more money for so-called national defense each year than is spent by any other nation on earth? Answer: there is splendid profit for some in national defense. The munitions makers like it. Besides it enables the same makers to sell their wares to other lands on the pretext of defending themselves against America. If only we could accomplish military programs that are strictly programs of national defense, if only nations would confine themselves to defense and leave preparations for attack alone, what a blessing it would be and how much nearer we would be to that hour when the military would be quite nothing more than an emergency police power.

We hear it said, too, that it is nice to contemplate the kind of defense program that would have us engage in war only in our own waters and upon our own land, but

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Should Government Exercise Direct Control of Munitions Industries?

Arguments Opposing

EVERY big organization like the du Pont Company, operating under fairly consistent policies over a long period of time, will be found, no less than an individual, to have developed a certain distinctive character of its own. And this character, just as in the case of the individual, is to be judged not by isolated acts or expressions but by the general course of its conduct over a long period.

There is no thought whatever of contending that the du Pont Company is infallible, or that it has never done anything wrong. Inevitably, in the active conduct of affairs so intricate and extensive and long continued as have come to be embodied under its name and management, and with the company's decisions made and its responsibilities carried out by a large number of quite human individuals, some mistakes must have been made and some things must have been done which could not be approved in any subsequent light of deliberate and dispassionate re-examination.

On that account, but even more from the constant perils of misunderstood fragments of information, the du Pont Company must always be to some extent at the mercy of myopic critics, including those who are honestly misled by too narrow a view of the facts as well as some who for their own purposes may deliberately garble the evidence. Fortunately, the company is not hypersensitive; it has already survived many headlines.

We have of course taken the broader and longer view of acts and decisions of major importance and of basic policies consistently adhered to over long periods of time. On that basis, every stockholder who receives a dividend from his investment in this company, and every employee who accepts a pay check for his efforts in its behalf, can do so in the utmost confidence, first, that the charges of conspiracy against the peace of mankind which are currently being made against the munitions makers of the world have no foundation whatever in the activities of his company; and second, that the most searching examination of the long course of his company's dealings with the Government of the United States will show those dealings to have been characterized by absolutely undeviating loyalty and by a somewhat exceptional degree of liberality in matters of dollars and cents.

In the sixteen years since the close of the World War, a vast amount of earnest thought and devoted effort has been concentrated upon the great purpose of seeking to save humanity from the recurrence of any such supreme disaster. No normal person can fail of the most hearty agreement with this purpose; and no thought or implication in this statement is meant to disparage it, or to militate in any way against the full chances

by

E. I. du Pont de Nemours & Co.

Wilmington, Delaware

of its accomplishment. On the contrary, so far as the du Pont Company is concerned, not only the strong natural sympathies of its management but also the plain business interests of the company, lie overwhelmingly in the direction of the continued maintenance of world peace.

In any such movement, however, there is a certain danger of loss of balance in the emotions inevitably engendered. In the present case, this loss of balance is now manifest in certain extravagances of sweeping and indiscriminate condemnation of all who have had a part in producing the more immediate implements and materials of war. In books, magazine articles, newspaper comment and public discussion, the denunciation of munitions makers has swelled into a chorus of considerable violence and volume. A common device has been to recite certain shocking charges which are alleged against the manufacturers of heavy ordnance, particularly in Europe, with appropriate comment upon the enormity of such offenses, and then to add that in our own country the du Pont Company is also a manufacturer of munitions, with some comment upon the enormous scale of its activities during the World War. And thus, by innuendo, the du Pont Company is left accused of all the crimes against humanity which are attributed to the various manufacturers of munitions throughout the world.

The du Pont Company employs no munitions lobbyists, at home or abroad, and has no part in any such employment. It makes no effort to mold public sentiment to its own ends—unless this sort of straightforward communication to persons entitled to know the facts must bear the reproach of some such accusation. It makes, and has made, no contributions, financial or otherwise, to any organized effort to oppose disarmament or to promote any supposed common interest of the manufacturers of munitions.

In fact, by reason of the du Pont Company's special position in relation to the question of military preparedness, its officers and employees have even felt constrained to forego exercising the usual right of an individual citizen to expression upon that issue. In December, 1914, at a time when widespread concern for the national defense was leading to organized efforts throughout the country to promote the cause of adequate preparation against the possibility of war, a letter was addressed officially by the then president of the company, Mr. Pierre S. du Pont, to its Board of Directors, urging that, by reason of its position as the manufacturer of one of the most important war materials, the company and its officers and directors should refrain from taking any part in such efforts. And ten months later, a second official letter was

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C O N

Nye, Cont'd

you never know when you're going to have to send the army and navy away from home to defend the flag. Poor old flag, glorious thing that you are, what crimes are committed in your name. For example, it is suggested that France and Germany might go to war again. One or the other or both would buy supplies in the United States and be delivered in ships carrying the American flag; an enemy ship would find the cargo of supplies going to their foe and sink it, then we would have to go to the defense of our rights upon the high seas, our honor, our flag. Or, the property of Americans abroad might be jeopardized and would be entitled to American protection, as in Nicaragua for example.

These are grave problems, at least we permit them to seem grave. But are we helpless? Why don't we first of all declare a national policy that insists upon Americans losing all right to protection abroad except from the land in which they make their investment? Why not quit following the American investor's dollar to all ends of the world with our army, navy, and marines and the American flag? As to the danger of our being drawn into war by having our shipping attacked, why not write law in keeping with a bill already introduced in Congress which merely declares it shall be illegal for the American flag to be flown upon any cargo destined for a country engaged in war? We would simply say to nations at war, "yes, we'll sell you what you want, but we're on the cash and carry plan now and you'll have to take the chance of getting the goods you buy where you want them."

Why don't we reach out and stop this damnable game? To stop it we need but to remove the chance for men to make profit, at least great profit, from these programs of preparing for war and then waging war.

Is there profit in preparing for and waging war? I think no one doubts that there is. But lest there be an uncertain mind listening to my argument let me recite a comparison of peace time and war time profits of certain American industries. Comparing the annual average profit of certain corporations through four years of peace before the war with the average profit during the four years of war we have the following very interesting record:

Atlas Powder Co. profits grew from \$485,000 to \$2,374,000.

Hercules Powder Co. profits increased six million annually.

General Motors profits jumped from \$6,954,000 to \$21,700,000.

Anaconda Copper moved its profit upward by \$24,000,000.

U. S. Steel profits grew from \$105,331,000 to \$239,653,000.

The war kited profits for Bethlehem from peace-time average of \$6,840,000 to \$49,427,000.

And here are figures showing the gains for the poor du Ponts. Moody's Analysis of Investments reveals that du Ponts average peace-time profit grew from \$6,092,000 to an average of \$58,076,000 during the four war years.

Profit there is, indeed, in this business of preparing for war, providing for the profiteers' kind of national defense, and in waging war. Naturally, the Senate investigation is

looked upon by me as being all-important. For the first time in history, a genuine study of the munitions industry is undertaken. I am proud that my country should be the first to undertake such a study with a view to devising ways of curbing an industry alleged to be largely responsible for difficulties which jeopardize the peace of the world.

Before there can be determination of ways to meet the problems confronting our own country and the world, there must be knowledge of facts. As Chairman of the Committee seeking after the facts, I could not well undertake now to say what facts the hearings may develop. I can only repeat the questions often asked to which it is my hope the committee will accomplish intelligent answers through its work. Some of those questions are:

1. How large a part of the American taxpayer's dollar gets to the munitions maker?
2. Are munitions makers of this country responsible in any degree for the continued strife in South America?
3. Who owns our munitions plants? Do our banking interests profit from the munitions industry?
4. How many agents are employed by the industry to do as Shearer did back in the good old disarmament days? Do the munitions makers play any part in these peace conferences?
5. What has been the influence fighting arms embargoes?
6. What do the munitions makers know about the propaganda behind the moves for larger appropriations for national defense?
7. To what extent is the commercial motive involved in national defense programs?
8. What are the profits of munitions makers in peace and war times?
9. Is there any relationship between the munitions makers of America and Europe?

A thorough and sweeping investigation of the entire subject is assured. Months may be required in its completion. The study seems right now to find the attention of all the world focused upon it, because the questions to be answered are questions which all the world has been asking for years. With facts known, whatever they may be, it is my hope and expectation that there will have been sufficient information gained to further accomplishment of the kind of program I believe necessary if this world is to avoid being plunged into another terrible conflict that can accomplish in the end only what the last war accomplished. That program might well include:

1st. The establishment of a Peace Department on a par with the War and Navy Departments of our government. If it is good to spend millions in anticipation of war it ought to be equally good for the same government to spend like millions in the cause of a continued peace.

2nd. Either make the manufacture of the primary items entering into the conduct of war or preparation for it an outright government monopoly, or devise, if possible, the machinery that will give government direct regulation over the munition industry.

3rd. Enact legislation making it illegal for the Amer-

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The du Pont Co., Cont'd

sent by the president to all departments of the company, suggesting that the association of du Pont employees with any organization urging preparedness would be "of doubtful propriety" and requesting "that no one connected with the Company become identified in any way with this movement." This policy was, and has ever since been, consistently adhered to by the company itself.

It must be borne in mind that the du Pont Company as an explosives manufacturer and the du Pont Company as a munitions manufacturer are two very different things. A common misapprehension makes it necessary at this point to emphasize the radical distinction between commercial and military explosives. In a recent magazine article, for example, we find dynamite referred to as the very symbol of warfare.

The fact is, of course, that dynamite, which is now the du Pont Company's principal product in the whole range of explosives, is not a war material but belongs essentially to peaceful industry, finding its uses in the mining of metal ores, in the construction of tunnels, dams, roads and bridges, and more recently in the preparatory farm work of clearing and draining. With dynamite, in the class of commercial explosives, belong blasting powder, used in coal mining and in quarrying, where the shattering effect of dynamite is objectionable, and of course also the nitroglycerin used in "shooting" oil wells, and the caps, fuses, and other accessories required for use with these several types of industrial explosives.

Military explosives, on the other hand, include essentially smokeless powder, used as a propellant for small-arm and artillery projectiles, and T.N.T., picric acid and similar violent explosives used as bursting charges in shells, torpedoes and depth bombs, together with the very minor quantities of fulminating materials required to detonate the main explosive charge. Even the more violent explosives used as military bursting charges, however, have also certain industrial uses; while other forms of smokeless powder, different from the military types, are of course required for the shotgun shells and metallic cartridges used by sportsmen, constituting still another subdivision of commercial explosives.

In the present, and presumably normal, peace-time proportions of the du Pont Company's business, as measured by total sales over the past ten years, *commercial explosives*, including industrial explosives and sporting powders, have about twelve times the importance of *military explosives*, including military propellants and bursting charges.

The du Pont Company has done nothing, and would do nothing, to obstruct peace or to foment war. The more basic fact is that, disregarding all humanitarian motives, and from the very narrowest viewpoint of financial self-interest, *the du Pont Company does not want war and has vastly more to gain from peace.*

Any discerning analyst who examines impartially into the facts of the du Pont Company's present position must shortly convince himself that this company's prospect of future profits is immeasurably better from a continuance and betterment of peaceful international relations than from any resumption of the slaughter of sixteen years ago, with its inevitable sequel of disordered institutions

and disrupted industry, and with its possible destruction of all law and order. For the unfortunate few whose cynicism will not admit any considerations of humanity in the motives that govern the policies of large industrial organizations, perhaps the following simple statement of the coldly financial factors involved will help to make clear the truth of this assertion.

In contrast with its original position as distinctly a gun-powder producer, the du Pont Company today is essentially and chiefly a manufacturer of products having no relation to war. Especially in the past sixteen years, it has sought and accomplished a comprehensive development of almost the whole range of chemical manufactures. Industrial explosives and sporting powders; paints, "Duco" and other protective coating materials; pyroxylin cements and solutions; "Fabrikoid" and rubberized fabrics; "Pyralin" and other plastics; dyestuffs, and a wide range of other organic chemical products; industrial alcohol and other solvents; acids, pigments and heavy chemicals; rayon, "Cellophane" and allied products; fixed nitrogen and other products of high-pressure synthesis; electro-chemicals, and a great variety of chemical specialties—all these go to make up the company's present business, and all these are peace-time products. And these lines now tremendously overshadow the du Pont Company's interest in military explosives.

The total profits earned by the du Pont Company on military explosives of all sorts over the past ten years have amounted to only about 2 per cent of the company's total manufacturing profits. In other words, from the crucial viewpoint of profits, the peace-time products of the company now outweigh its military explosives business in the ratio of about fifty to one.

Moreover, in the more prosperous years of the post-War period the earnings on this predominantly peaceful business, together with the return from the company's outside investments, in enterprises having no relation to war, have been built up to a level somewhat exceeding the average yearly profits of the World War. The average final yearly net profit, after taxes, for the four War years, from 1915 to 1918 inclusive, was somewhat below \$59,000,000; for the five years from 1927 to 1931 inclusive, the average exceeded that figure by approximately \$500,000.

Certainly, a corporate management must be not only reckless of its plain duty to humanity but incredibly stupid as well which would be willing to jeopardize a structure of this sort for the uncertain prospect of a hectic war prosperity!

There is no prospect of extraordinary profits for manufacturers of munitions in any future war in which the United States may be involved. In 1917 the almost incredible feat was accomplished of conscripting on a selective basis the entire man-power of this country for military service; and at the end of the War and subsequently, the evidences of a popular demand have been entirely conclusive that in the event of any such future national crisis the entire capital and productive resources of our country must somehow similarly be subjected to the national need without the prospect of excessive compensa-

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Nye, *Cont'd*

ican flag to be used upon shipping carrying cargo to any nation engaged in war.

4th. And most important of all, move to take the prospect of profit out of war. This can be done through an amendment to our existing revenue laws, an amendment which would automatically write new rates of income taxation with a declaration of war. For my own part I would make that amendment provide for a doubling of existing rates on all incomes under \$10,000 while for incomes beyond that figure I would apply a tax rate of 98%. I think such a move would accomplish amazing results as respects united effort to prevent war. With the prospect of profit during war gone and with knowledge that the larger incomes would be all but confiscated and used to support the war, the army of peace-loving, peace-urging people would win many recruits.

Do all these things suggested as a program, be as severe with income and property as we are with lives in time of war, combine these things with common sense as respects our national defense and these competitive bullying games, and we will have established in America an example that the rest of the world cannot ignore. More, we will have moved a long, long way in the direction of lasting peace by wiping out the greater causes of war.—*Extracts, see 1, p. 288.*

by Hon. William E. Borah

U. S. Senator, Idaho, Republican

So long as the munition manufacturers exercise the influence which they now wield with governments we shall make little progress in reducing armaments or holding navies down to a reasonable program. It is well known that one of the great contributing causes to the World War was the naval race between Great Britain and Germany. But the naval building program of itself, in my opinion, did not so much contribute to the estrangement and the ill feeling between Great Britain and Germany as did the propaganda, sordid and vicious, which was constantly in those days disseminated by the munition manufacturers. They carried on with ability and persistence a campaign of misrepresentation.

It is now known that many of the reports which went to Germany as to what Great Britain was doing with reference to preparation for war and which went to Great Britain as to what Germany was doing with reference to the building up of her navy and her preparation for war constituted false propaganda, issued and disseminated by the great munition manufacturers of Europe. They were seeking a market for their instruments of murder and that market was war. Those men then, as they do today, held

positions of great prestige and influence, and they were often successful, as I believe they are at this time, in inducing public men and statesmen to accept as facts the baseless statements of their false propaganda. When one turns back and reads the numerous statements, some of them made by public men in England, as to the program of Germany and vice versa the program of England, many of them are now found to be utterly unfounded. It is also true that those which were unfounded and have been shown in history to be without support came from those who were interested in selling munitions to the respective nations.

I read in one of the newspapers a statement coming from an admiral of the Japanese Navy which is so similar to the statements made prior to the actual breaking out of the great World War that one is prone to believe that it had its inspiration in the same source as had those which preceded the outbreak of that war. The Japanese admiral says:

"The United States has now restored normal relations with Soviet Russia. We naturally think that the restoration of normal diplomatic relations between them, two good neighbors of Japan, involves a scheme to surround Japan for some military purpose."

In other words, it is now being propagandized that the recognition of Russia by the United States has as its ultimate object and purpose the surrounding of Japan for military purposes.

For the past 25 years, at least, every time a big Navy bill came before either the House or the Senate of the United States it was invariably accompanied by propaganda as to the possibility or probability of a war with some foreign power, usually with Japan.

The first disagreement I ever had with President Theodore Roosevelt was when a vessel-building program was proposed in the Senate. When I expressed my disapproval of it I was informed that we were upon the verge of a war with Japan.

This statement purporting to come from an admiral of the Japanese Navy, in my opinion, is the result of some such propaganda as that which emanates from munition manufacturers of the world. No sane, thoughtful, healthy mind knowing anything about the attitude or disposition of the people of the United States would for a moment entertain the view that the recognition of the Soviet Government by the United States had an ulterior purpose with reference to Japan or that we in doing so entertained anything in the way of a unpeaceful attitude toward the people of Japan. The people of the United States desire nothing but peace with reference to the great Japanese nation, and those who disseminate the propaganda that we are disposed to formulate our policies and our program with a view of attacking Japan must do so not because they are misled, but because they have sordid ulterior motives such as have characterized the great munitions manufacturers throughout the history of the world whenever an occasion of this kind has arisen.

Everything at the present time points unfortunately to a naval race, to a competitive naval-building program. I do not know what can be done, or whether anything can

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The du Pont Co., Cont'd

tion. On all vital issues of national policy, this country is governed by the will of its people. Whatever uncharitable opinions of the motives of corporate management may be held by excited critics, the du Pont Company certainly has no illusion of any probable extraordinary financial reward for the services it would be called upon to render if a further war should become necessary for the protection of our country.

Somewhat akin to the charge of desiring war is the recently popularized reproach against the profits earned in producing its more immediate instrumentalities. This reproach, it appears, is somewhat inconsistently confined to the immediate implements and materials of combat, although scores of the common products of ordinary life are now equally indispensable for the destructive activities of any army.

This is not merely the thought, sound and rational enough, that the commercial motive may lead to abuses, endangering the peace of the world, which must be rigorously sought out and exposed, and drastically stamped out if existent. The current idea goes way beyond that: something is found abhorrent in the very fact that the bullet which kills a soldier in battle has earned a profit for its producer and a profit for the maker of the powder that propelled it. Here, manifestly, the approach is emotional. Brief examination will show that it is also highly illogical.

The essential facts of the matter are plain: First, although the hope of the eventual abolition of war is certainly tenable, and the accomplishment of that hope tremendously worth striving for, yet, to face present realities, war still exists as one of the stubborn facts of human existence; and no sensibly prudent nation can afford to go unarmed in the world today. Second, from the viewpoint of centuries of experience as reflected in the established principles of American industry, no satisfactory substitute has yet been discovered for the profit motive as a basic, driving force for the most effective and economical production of the necessities of our individual or national existence.

Among these necessities of our national existence, unfortunate and deplorable though it is, military explosives must still be included. And one of your company's historic functions, now of relatively minor importance to its own financial welfare, but always sanctioned and approved and at times insisted upon by our Government, has been to provide the major part of the country's requirements for products of this character.

At the close of the World War, the du Pont Company occupied a unique position. Among all the important products that had been in large and insistent demand over that period, it is probable that its own chief product, smokeless powder, was the only one that stood then not only at no higher price but even at a somewhat lower price than that which had prevailed immediately before the War. The steeply upward course of costs and prices generally during the War, including materials and labor and the whole wide range of products of the farm and the mine and the factory, is a matter of common knowledge. It seems worth while, however, definitely to recall a few representative figures.

We believe the following brief tabulation conservatively reflects, in comparison with du Pont powder, the general change which took place in the price levels of basic raw materials and staple manufactured commodities from the immediate pre-War period to the closing year of the War. The accuracy of these quotations for all items except the last two is vouched for either by *Business Week* or by *Commerce and Finance*, the figures for some items representing June closing prices and for others the June average:

	June 1914	June 1918	Per-Cent Change
Wheat (No. 2, hard winter, Kansas City, bu.)	\$0.85	\$ 2.12	+149%
Flour (Minnesota, patent, barrel)	\$4.65	\$12.00	+158%
Cotton (Middling, New York, lb.)	13.5c	30.4c	+125%
Print Cloth (28 inch, 64" x 60)	34c	13½c	+300%
Iron and Steel (Struct. composite, ton)	\$22.58	\$56.62	+151%
Price Index for all Commodities (U. S. Bureau of Labor, 1926=100)	67.4	129.0	+ 91%
Index of all Wholesale Prices (New York Times Annalist, 1913=100)	96.6	191.4	+ 98%
Du Pont Smokeless Cannon Powder (Air-dried)	53c	50c	-5.7%
Du Pont Smokeless Small Arms Powder	75c	60c	-20%

In the whole range of its foreign associations, sales and working arrangements, the du Pont Company has not now, and never has had, with respect to any foreign government, company or individual, any obligation, contractual or otherwise, which was inconsistent in any way with the most complete discharge of its always strongly felt loyalty and special obligation to the Government of the United States.

Through its representatives in foreign countries, the du Pont Company seeks to cultivate every legitimate and proper opportunity for the export sale of its military explosives. But as a matter of long-established and inviolable company policy, no such sale is ever made in any foreign country unless the matter has first been canvassed with the proper officials of the United States Government. If there is objection, as there sometimes is, the sale is simply not made. This policy is traditional with the du Pont Company; and in carrying it out no subterfuge is sought or tolerated. It may therefore be broadly said in answer to the charge of disloyalty in selling powder to foreign nations, not only that the company has the general sanction of the United States Government for its policy of seeking export business on military explosives, but also that in the carrying out of that policy no sale is ever made without the specific knowledge of the United States Government or in the face of any Government objection.

The fact is apt to be lost sight of that war is not simply a sudden, acute malady of the national life, for which no further concern need be felt when the attack is over, but that it is also a constant peril, against which precautions must always be in progress. Over the long years of peace, a considerable body of specially trained men, consisting principally of the officers and technical experts of the Army and Navy, are constantly devoting themselves to the quiet work of preparation and planning involved in this national service. So far as this work relates to the important matter of munitions, it is centered in the Ordnance Department of the United States Army and in the

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Borah, *Cont'd*

be done to mollify the situation, but I do think that, in view of the circumstances as they now present themselves with reference to the naval-building programs of several great nations, it is worth while to stop and consider what we can do with reference to controlling the evil, pernicious influence of those who will make vast gains in case a disturbance shall occur. A naval-building program means that the munition manufacturers will aggravate the situation in every conceivable way.

A short time ago one of the leading statesmen of Great Britain, Winston Churchill, declared that Great Britain should denounce the London Naval Treaty in order to enable Great Britain to build a navy in proportion to her needs and in harmony with her desires.

We are informed by the press that a very strong sentiment now obtains in Great Britain with a view to denouncing that treaty. The ex-Premier of Great Britain said:

"An understanding on armaments is also remote and the present situation will inevitably lead to a competitive increase in arms. Agitation in Britain for a more powerful air fleet and a larger number of cruisers is growing in momentum and its influence will be felt in the coming budget."

In the magazine known as *Contemporary Japan* we read an article by a prominent Japanese publicist who said:

"It is for this reason that the present writer wishes to state that Japan cannot accept any arrangement at the forthcoming conference which seeks to perpetuate the present ratio of 5-5-3, the inadequacy of which for purposes of Japan's national defense he hopes to demonstrate in what follows."

A vast amount of material might be gathered and presented to disclose that at the present time we seem to be entering upon a real naval race or a competitive armament race instead of making progress toward disarmament. A naval race or anything which looks like a naval race is a Christmas holiday season for the munition manufacturers. They take advantage of that kind of situation to circulate just such statements as I quote as to the evil purposes of the United States in recognizing Russia, and to circulate such statements as are calculated to augment the purposes on the part of the respective nations to build armaments and to bring about a greater estrangement and a deeper feeling of resentment on the part of the respective nations.

I have reached the conclusion that it would be about as absurd to turn the War Department or the Navy Department over to private interests as it is to leave the manufacture and sale of the instrumentalities of warfare in the hands of private interests. The influence of these interests is so very great that they can directly shape and dominate the policy of a nation toward war and away from peace. Yes, more, they can shape and dominate the policy with reference to budgets for armaments. So long as that is true—and it will be true so long as profits are made out of war; so long as war means vast gains, so long as vast corporations have the influence which they have, that will continue to be true, and the only remedy, in my opinion, is for the Government to take control and dominate the manufacture and output of armaments, either naval or land.

This can be brought about by the Government manufacturing armaments or by adopting a policy of licensing under which the Government could control the amount of armaments built and when and to whom they might be sold. This would involve our establishing our own policy and, if possible, extending the policy through treaty. In some way we should seek to eliminate profits in the matter of manufacturing the instrumentalities of warfare.

Let us survey some of the facts with reference to the armament manufacturers and the influence they exert upon the expenditures which the people are called upon to make for navies and armies, and the influence which they exert in breaking down disarmament conferences, in blocking all efforts to bring about peace and a better understanding among the nations of the world. Armament manufacturers are in every sense of the word international criminals engaged in disseminating such false facts as are calculated to bring their fellow-man into war. When they bring him into war they reap the reward of their influence.

During the period of depression, while millions of men and women walk the streets ill-clad and half-starved, while governments have been unable to pay their debts, while educational institutions have been starved of funds, it is a fact that the munition manufacturers have been realizing profits of 12 and 20 and 30 per cent during the entire period of the depression. I know of no way to restrain or control them except for the Government to take from them the power to manufacture, to take it over by the Government or to take it under license so they can put out only the amount which the Government itself determines they shall put out.—*Extracts, see 2, p. 288.*

by Stephen Rausenbush

Secretary, Special Senate Committee
Investigating the Munitions Industry

THERE are 21 things which interested me personally during the first munitions hearings. They are not the things which made the sensations of the moment. They may, perhaps, have been lost sight of in the midst of the bribery testimony and the mention of famous names. They are, I believe, things of more lasting importance.

My feeling about the importance of these matters is, however, a purely personal and unofficial reaction. The things that interested me are:

1. The private reports coming to us that the safety of some of the agents of American arms companies will not be protected in South America after their way of doing business was exposed.

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The du Pont Co., *Cont'd*

Bureau of Ordnance of the Navy. Throughout practically the entire 132 years of the du Pont Company's existence, its relations with these Government bodies or their predecessor organizations have been close, cooperative and cordial. It is not, we believe, too much to say that from the viewpoint of the highest military and naval officials of the United States Government, your company is regarded as a vitally important element of the national defense. And its importance in that connection is in no way weakened by the fact that the Government maintains and operates at its own arsenals facilities for the production of smokeless powder.

The basic theory, as we understand it, is that in time of war the chief business of the Army and Navy is to fight. Moreover, it is believed that for the enormous expansion of explosives production required by modern warfare, the manufacturing effectiveness of a big, well-established and thoroughly integrated chemical and explosives manufacturing company, with large staffs of experienced technical personnel and with plants and trained manufacturing forces in all branches of the chemical industry, would not likely be equalled by the inevitably more restricted resources of any government explosives manufacturing enterprise. Even apart from the ordinary peacetime obstacles to efficiency in publicly conducted manufacturing operations, the government of a normally peaceful country such as our own, confronted with the emergency of war, would be grievously handicapped in accomplishing the necessary quick multiplication of its military explosives output under the sudden war-time press of almost innumerable other critically important problems, all demanding attention at the same time.—*Extracts, see 6, p. 288.*

Editorial, Army Ordnance

Army Ordnance Association,
Washington, D. C.

Not since the World War—therefore not in the history of the United States—has our national defense been under the insidious attack now being waged against it under the guise of an expose of our "munitions makers." Scarcely a day but the public press somewhere secondhands some grotesque story about these "war mongers"; scarcely a Sunday but some alleged minister of the gospel somewhere harangues a thinning congregation with absurd stories based, as a rule, on unsubstantiated propaganda about the activities of these "Merchants of Death"; scarcely a month but some magazine tells the story of the nefarious ways of these "dealers in blood money" and points its Holmeslike finger of guilt at our American "munitions makers." It is not new for propagandists to build conclusions on the flimsiest kind of

premises. For those who are interested in facts we intend to set them forth here, fully conscious that readers of this Journal are familiar with them.

In doing so we propose to begin with a discussion of a rather academic fact, namely, the answer to the question "What are munitions?" It is obvious that a great many of our people, including legislators, churchmen and editors, do not know, or maybe do not want to know, the meaning of the term. Webster says munitions are "Whatever materials are used in war for defense or for annoying an enemy; ammunition; also stores and provisions; military stores of all kinds; hence, necessary equipment or provision in general." This definition might be called the broad form, nevertheless it is accurate. Munitions are everything an armed force uses—from guns to chewing gum, from locomotives to shoes and socks, from tanks to tooth brushes, from army blimps to navy beans. Every single thing an army requires in its munitionment is included in the term and every single manufacturer in the land, under this definition, is or may be a "munitions maker." Obviously the present epidemic of complaint has a narrower definition in mind, munitions being understood to be synonymous with military guns and military ammunition only. In other words, in the narrow form "munitions" means "ordnance." Accepting gauge of battle on this basis what are the facts about our private "munitions makers" in the United States? What are the facts about the du Pont Company, Bethlehem Steel, Midvale Steel, Colt's and Remington, the companies named as "perhaps the real heart of the armament business" of the world? With regard to these and every other company in the United States we make the unqualified statement—and we make it shamefacedly that it is true—that we have in this country not one manufacturing concern engaged exclusively or in any thing other than a very minor extent in the production of ordnance. To our knowledge there are three concerns of extremely small capacity which are engaged in the design and development of ordnance but their efforts, commendable as they are, are small to say the least and they are not the companies which the magazine *Fortune* has named as "perhaps" the heart of the business. (During the short interval between the original writing of this account and its going to press one of the three companies referred to was taken over by a receiver—so now there are two!) It is due entirely to the fact that we have only our Government arsenals and no private ordnance industry to speak of in this country, that our whole system of munitionment is built upon industrial preparedness. Every manufacturer in the United States is a potential munitions maker although today no one in his senses would claim that we have a private munitions industry worthy of the name. We mention this simply to invite attention to the fact that a false picture of the situation is extremely damaging to a people and a government whose military power depends not on peace-time production of munitions but on war-time ability to produce. To panhandle misleading statements on this tremendously important subject is to undermine the very crux of our ability to defend ourselves in any future emergency.

We have alluded to the fact that the companies named are not subject to the charge that they are "perhaps" the

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Rausenbush, *Cont'd*

2. The admission that the activities of a munitions company in a friendly and peaceful South American country would, if exposed by the Committee, lead to rioting and the destruction of life and property there. That seemed to me an admission that the munitions companies are more powerful than they should be; also that they are doing things they have no right to do.

3. The failure of other countries to realize that the Congress of the United States is not subordinate to the executive branch of the United States Government, and does not have to answer to any part of the executive branch of evidence produced in its hearings.

4. The realization that the sale and interchange of secret chemical processes between great private war manufacturers could give to other nations the amount of effective war-preparedness represented by several divisions of combat strength or by four or five battleships. Combat strength may today be determined by private industries interchanging information far more than it is determined by State Departments and foreign offices agreeing to the modification of the size of battleships or the number of soldiers in regular armies and reserves. A tentative conclusion follows that disarmament conferences are not discussing realities.

5. At a time when the League of Nations was considering boycotting Japan for its violation of its treaties in regard to Manchukuo, a large American company sold a secret process for producing cheap powder to Japan. That seemed to me not dissimilar to America's sending several battleships to help Japan in the invasion. The private company was beyond the control of American and world public opinion in an act which was of essential international importance. What influence that company and its British, German, French and other industrial friends had in the state and foreign offices of these countries at the time of the boycott discussion is not known.

6. The evidence that American patents helped to make the German U-boats possible during the War. Our convoy was attacked by these U-boats and so that interested me personally.

7. The evidence that airplane engines built with the aid of American governmental subsidies are being shipped in large numbers to aid Hitler.

8. The very frequent reports to American companies that arms are getting into Germany and Austria from the outside, in violation of all treaties. The complete absence of reports that the foreign offices of the world or the League of Nations are active in stopping this traffic and enforcing those treaties.

9. The tendency of the witnesses to forget that they were in an unusual business, one which dealt only with other governments or incipient governments (revolutionary forces). In this way they are on a plane with our State Department, which is the only other American agency dealing only with foreign governments.

10. The further evidencing by the witnesses of the attitude that their business was like any other business, and their tendency to forget that in the end some living men are always on the receiving end of their bombs or cartridges or powder. They didn't seem to remember that munitions selling is like diplomacy. It was Bismarck who

said that diplomacy like surgery was a study of human flesh.

11. The realization that wholesale bribery is accepted as a common practice by a considerable number of American and European firms. The corollary that when an instrument of war seems a luxury which a nation has to be prodded into buying (submarines in South America) then bribery is more likely to be a necessary part of the business than otherwise.

12. The statement of an American Admiral about the balance of power in South America, which meant to me simply that the success of Vickers in overarming Chile in the 1920s had been the moving cause of an expensive and corrupt naval race in South America. The Committee's evidence showed that the only crowd which gained by the race was the Anglo-American submarine combine.

13. The apparent indifference of the British people to an explicit admission by Sir Charles Craven of collusion between Vickers and Armstrong Whitworth's rigging the price of naval vessels to the British Admiralty at the expense of the British taxpayers. This was before those two companies united.

14. The defense of the munitions makers to the evidence that they were selling to both sides in every current war was interesting. It was, "Yes, we are. To sell only to one side would not be neutral." It would seem to indicate that the business is one in which the absence of moral judgment is a primary essential to success.

15. The evidence of the New York Customs official to the effect that it would take the whole U. S. Army in the one port of New York alone to control the shipment of arms from that one port. That evidence leads toward the tentative conclusion that all talk of control of shipment of arms must from now on be coupled with some control directly at the factories where the munitions are produced. It ought to give a new slant to international discussions of treaties for the control of the traffic in arms.

16. The fairly frequent sneering by a number of American and British munitions men at the attempts of State Departments and Foreign offices to secure disarmament.

17. On top of reports by the European representative of an American company of smuggling of American arms into Germany through Holland, the signing by that company even for a week of a contract (later torn up) to sell munitions to Germany and to Holland, except to the Government of Holland.

18. The agreements between certain American and foreign groups to control prices for raw materials and finished munitions to other foreign governments.

19. The admission by one munitions maker that he was working with the Administration and two groups hostile to the Administration of a friendly country all at the same time.

20. The possibility that munitions makers can, by selling or refusing to sell, make it impossible for a small Latin American government to stay in power, or make it possible for revolutionary forces to overthrow a government in power.

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Army Ordnance, Cont'd

heart of the armament business and we support it not as their spokesman. We are interested in preventing the waste, delay and cost in lives and money which our munitions program in the World War met. If by facts we can succeed in correcting the injustice and absurdity of charges now being made so generally in respect of these companies and all others in the United States, we feel that we have the right and the duty to do so even though we speak for no individual concern. So let's have the facts.

The duPont Company is generally made the stalking horse whenever "munitions makers" or "the armament business" is being played up. Yet the company today is not making, and during the past ten years has not made, enough military powder to subject it to a truthful charge of "munitions making" in any derogatory sense of the term—if that term is derogatory—and it most certainly is not.

And so for the Bethlehem Steel Company, a name generally mentioned in the innuendo about "munitions makers." Here is a company which has been producing annually during the past ten years all kinds of commercial steel products which are those of nearly every other steel plant. These products include: Structural shapes; plates; rails and fastenings; frog and switch material; bars, carbon and alloy; reinforcing bars; pipe and tubes; tool steel and small tools; blooms, billets and slabs; sheet bars, wire rods; wire and wire products; sheet and tin plate; bolts, nuts, rivets and spikes; forgings, press, hammer and drop; wheels and axles; castings; cars, freight, passenger and mine; pig iron; ferro manganese. The ordnance materials—and they are not finished munitions—include rough gun forgings, armor plate, empty projectiles, air flask forgings, miscellaneous ordnance parts. During the period from 1924 to 1928 Bethlehem produced a relatively small quantity of complete projectiles and from 1924 to 1927 some very small quantities of component parts of finished guns. In the years 1924, 1931 and 1932 small quantities of armor plate were made. *During the past ten years the production of ordnance material for the United States Government was 95.3 per cent of Bethlehem's total production of ordnance material, leaving 4.7 per cent of the total ordnance material production for export. Will readers be surprised to know that for the past ten years the value of all billings for ordnance material was 36/100 of 1 per cent of the total gross sales of the Bethlehem company?*

Now turn to the facts as to the Midvale Company, another "prime offender" in the "munitions ring" insinuations! Midvale has made no finished munitions in the past ten years or for three or four years prior thereto unless some light armor ready to be installed on ships would come within the meaning of the term. The company has made a very few armor-piercing projectiles which were finished only to the point of loading and fuzing. No finished guns or gun mounts have been made by the company since shortly after the World War but some gun forgings have been produced for the United States Army and Navy. *During the past ten years all munitions or parts of munitions which Midvale has produced have been for the United States Government.*

As to the Colt's Patent Fire Arms Manufacturing Company, we have a situation somewhat different from those

of the three companies already mentioned. Its business is closer to being an armament maker than any of the others, it helps to arm our peace officers and our sportsmen. For all that, Colt's makes, in addition to revolvers and automatic pistols for our police forces and our shooters, military machine guns, metal parts of various kinds, hotel and restaurant dish-washing machines, electrical supplies, including industrial and utility switches, fuses, etc., and an extensive line of hot molded products made from "Colt rock" and similar material, such as bakelite and "Durez." All these commercial products have been developed since the war. It may surprise readers of the current magazines and some of the clergy but scarcely the editors of *Fortune*, that during the past ten years more than 90 per cent of the arms production of the company was for domestic consumption. Considering all the various lines the company is manufacturing, including military equipment, *less than 10 per cent of the whole, on an average over the past ten years, has been exported.*

The Remington Arms Company has not sold a military firearm during the last ten years. Its commercial products include sporting shotguns, sporting rifles, air rifles, shot-gun shells, metallic ammunition, electric light socket linings, electric light candle tubes, clay targets, traps for throwing clay targets and cutlery. Its military product is metallic ammunition. During the past ten years Remington sales to the United States Government averaged 1 per cent of its total business and its sales to foreign governments one-half of 1 per cent of its total business.

Thus we have the factual picture of what *Fortune* calls "perhaps" "the real heart of the armament business." If its case against European armament makers rests on no more solid ground then it is a shabby case indeed. We anticipate, however, that in some quarters these facts will be brushed aside as zealots usually do with facts. When the case falls in fact it is usually made by insinuation. Some will contend, despite the facts, that these are the people who want war, who try to foment it and attempt to prolong it.

There is cause for alarm when we consider our "munitions makers" in the United States: It is not because they are doing an educational business in munitions-making; on the contrary, it is because they are not. Their infinitesimal activities are the only semblance we have of education in industrial preparedness in the event of another major war. If anyone believes candidly that there are huge profits in the business or that there is a great peacetime demand let him turn to the records of the World War and scan the thousands of company names which appeared in our munitions-making program of those days and see that there are not a dozen of them so engaged in any manner whatsoever now. There comes to mind, for instance, the Westinghouse Company which made during the war more Browning machine guns than any other company in the United States—we venture to say that Westinghouse made twice as many as either Colt or Remington. Yet with the war over Westinghouse, typical of thousands, promptly returned to the manufacture of commercial products. We seem to remember that Marlin-Rockwell in 1917-18 claimed the distinction of the

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Rausenbush, *Cont'd*

21. The evidence that at least one large munitions company claimed success in securing War and Navy Department support for its fight against a proposed embargo.—*Extracts, see 15, p. 288.*

by Reverend Russell J. Clinchy

Mt. Pleasant Congregational Church,
Washington, D. C.

THE visitor to the Senate caucus room during a session of the Munitions Investigation senses at once that this is an investigation which has drama and reality about it.

The four Du Ponts were on the stand this day. They sat together, facing the inquiring senators. These four men are reported to be in control of more money than any four men who have ever been sworn in before an investigating committee. Yet no one would guess it by their appearances. The most interesting thing about them, three brothers and a cousin, is that they have none of the marks which are supposed to be characteristic of captains of industry. If they are rugged individualists they do not show it. They seem to be neither rugged, nor particularly individual. Meeting them in the club car of a Pullman without knowing their names one might put them down as buyers or managers in a department store. There are several men in the large group of attorneys and secretaries who flank them on all sides who look the part more than these men whose names are known over the world. They are dressed simply, they speak in low tones, and make no seeming effort to impress with the sense of their position or power the senator who is sharply questioning them. Two of them, Irénée and Felix, sit quietly stooping their pipes through the whole day. A glimpse at the men who testified at the stock exchange hearing, and now at the Du Ponts, is not awe-inspiring.

But that is a clue to part of the mystery surrounding the amazing revelations concerning the international ramifications of the munitions industries. From reading the stories one expects to meet a cordon of rampant jingoists, breathing blood and thunder, veritable Wotans of might and power who hold nations within their grasp and start wars on a moment's notice. One is disturbed when one sees instead men who could pass the plate at any church service without anyone looking at them twice. The simple fact begins to dawn upon the observer that these are not men who seek blood, but only a group of successful business men who are using much the same business methods the other members of their clubs use, and who are just as bewildered about the intricacies of the system as are most other business men.

When they state that the world is divided up into three parts for the exploitation and sale of munitions between the Vickers, the I. C. I., the D. A. G. firms, and that the Du Ponts keep one-third for themselves, they think of it as casually and with the same mind as the representatives of three automobile companies would in splitting up territory for the sale of cars. When they testify that the Du Pont company had an agreement with a German explosives concern by which it was obligated to reveal all new inventions and secret information, they tell it as casually as though it were information concerning a new carburetor. It was the same when the officials of the Electric Boat Company stated that they had sued the German Government for \$17,000,000 for use of their plans during the war in building German submarines. They did not decry the building of the U-boats, against which the American Government protested, and which finally brought us into war. It was the violation of a business agreement which outraged them.

It will do no good to think of these men as fiends who rejoice in dealing in blood and death, for they are not. They are average men who are using the business ethics and techniques of the average business man around the world. It is of course all to the good to explode the myth of the great patriotism of these men, and men like them. The majority of Americans needed to see these myths explode in their faces. But the fact remains that the only difference between these munitions men and many of the business men of the world is not in ethics or business technique, but simply in the commodity in which they deal. Every one of the techniques with which they deal—exploitation; appeals to fear, prejudice and vanity; allocation of territory; pitting buyers against each other in competitive markets—all of them are the general techniques of what is called "good business" today. In fact, as far as business methods go, there is not the slightest difference between the testimony at the bankers' investigation and this. The Du Ponts are using the same methods they would use if they were in any other business.

Terrible and shocking revelations of the international and human consequences of private dealings in munitions and equipment for war have been made. When both English and American firms fight to arm Turkey and Argentina, China and Japan; when American firms boast that they have lobbied successfully for higher armament bills in Congress; when they declare the peace machinery of the world at Geneva to be a menace to their profits, we are aroused and inflamed. But let us put the blame where it belongs, on the business technique and ethics which go unchallenged among the leaders of our business life, and on our willingness to allow private business to conduct an international trade in armaments.

A day at the munitions investigation sears into one's memory an undying picture of a cross-section of the commercial life of the world in its rawest and crudest aspect. It is not a case of individuals. Punish or erase the Du Ponts and four others will take their places. We must begin at the place where it touches so many of the business men of the world, with the techniques and methods which have been allowed to grow unchecked by the great number of Christian business men who could throw the weight

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Army Ordnance, *Cont'd*

"world's largest makers of machine guns"—the company is not in the business at all today! Colt's in 1912 had approximately 950 employees. Necessary expansion to assist the United States Government and its Allies during the war resulted in the employment of more than 10,000 persons. Following the war the number of employees was reduced to about 700; with the acquirement and development of new lines of products this employment increased until today it is about 1,700.

As to the exportation of small arms by manufacturers in this country, the business is very much less than it was in pre-war years. Severe restrictions have been placed around the selling and purchasing of a.m.s, and the cost of manufacture in this country is so much greater than in European countries, such as Spain, Belgium and Germany, that the export markets for the American product have been greatly restricted.

All of which comes down to the final fact that the "campaign of frightfulness" as it is being waged against our mythical "munitions makers" in the United States is a colossal smoke-screen which our warring pacifists, uninformed as usual, take seriously. As this seriousness grows in quantity by that much does munitions preparedness of the United States suffer. This too is *fact—ghastly fact—* about our American "munitions makers."

Now the country is to have an official investigation of our "munitions makers." The United States Senate on April 12th adopted the Nye-Vandenberg Resolution (No. 206) which, with an appropriation of \$15,000, calls for a searching scrutiny. The committee will investigate existing legislation and treaties and it will review the findings of the War Policies Commission. Senator Nye who will serve as chairman of the committee expressed the hope, prior to the announcement of the committee members, that the body would be made up of men "inclined to go the whole route to ascertain the facts." Everyone will share the Senator's feeling in this regard. Let the country have the facts and let an end once and for all be put to the grotesque and absurd propaganda about our "munitions makers" that has been foisted on our people so blatantly during the past few years. There is nothing whatever to hide so far as our "munitions makers" are concerned. If the committee will approach the subject with an open mind and without the obvious antagonism which has characterized the talk of some of its members, then this investigation can be a very helpful and very constructive undertaking. We feel confident that everyone coming within the scope of the committee's authority who may be called upon to assist it in determining all the facts will do so most willingly.

The difficulty does not lie in finding the facts; they are available to anyone interested. The trouble lies in the misinterpretation of the facts once they are obtained, in the construction, the twisting and the half truths which partisan critics are prone to draw from them.

Hence it is that this fact-finding body can perform a truly great national defense service. It can settle once and for all the truth of the situation and it can impress upon interested people in the United States the seriousness of our own munitions problem. That problem is serious; anyone who doubts that it is need let his memory go back

just twenty years when, as today, we had no "munitions makers" to speak of. We paid a terrific price to educate and mobilize American industry then to try to produce American munitions. The record is jammed full of the historic facts of our industrial unpreparedness. Our anti-munitions zealots have forgotten; for them history has given way to hysteria. An open-minded investigation may reveal—not that the United States is at the mercy of our peace-time "munitions makers" but that our national defense is being undermined by munitions humbug.—*Extracts, see 7, p. 288.*

Report of President Roosevelt's Committee on Aircraft

Newton D. Baker, Chairman

THE Air Corps units of the Army's covering and overseas forces must be ready at all times for war service. Any great war is now likely to begin with engagements between opposing aircraft, either sea or land based, and early aerial supremacy will be an important factor. This involves many factors but primarily a superior supply of efficient airplanes and of all accessories.

An aircraft industry, therefore, is absolutely essential to the national defense. The size of the air forces for a major emergency would be vastly greater than it would be prudent to maintain in time of peace. Improvements in airplanes are continuous and relatively rapid. Airplanes become obsolete in a few years and, in some cases, are already obsolescent at the time of quantity delivery. Military airplanes cannot in time of peace be stored in large quantities, as can guns for example. This is the promise that leads to the conclusion that there must be maintained in time of peace a satisfactory nucleus of a war-time aviation industry. By a "satisfactory nucleus" is meant a number of aircraft manufacturers distributed over the country, operating on a sound financial basis and capable of rapid expansion to meet the Government's needs in an emergency.

Military aviation in time of war must rely largely upon airplanes built in time of war, and consequently the general condition and productive capacity of the aircraft industry are of national concern.

For the first few and vitally important months of a war, the permanent aircraft industry would carry the full burden of supplying equipment, and thereafter would also provide for the emergency industry the necessary engineering and supervisory talent.

The development of commercial aviation in the United States has been more rapid than in any other country and

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Clinchy, Cont'd

of their influence and power against these practices. Christian laymen must begin to demand that Christians be as incorruptible and ethical in business as they now demand their ministers must be in their profession. The simple fact is that many business leaders cannot call for outlawing of the business techniques of the munitions industry because they would have to disavow their own. "The beginning can be made in ordinary business. It must be made there by the host of Christian business men who sense the necessity. This is a definite task for the laymen of the churches who are asking for definite and practical areas in which to express their religion."

The second step is to make munitions, as long as we continue to use them, a monopoly of the government, either under government manufacture or privately under government control. This will probably not reduce armament, for each major nation will continue to manufacture the amount it wants. But it will eradicate exploitation of weak countries; the creating of international tension points in order to sell munitions to fear-driven nations; and the vicious international combines which care nothing for honor, peace or good will, and whose international connections can wreck the organization of peace in the world.

One instinctively asks, "Will the hearing be stopped?" It may be in three ways. One is at the insistence of foreign governments. Another is at the demand of large business groups that such business methods as are practiced by these munitions companies be not held up to public gaze. The third is by an effective propaganda which will brand the investigation as instigated by radicals and used for the advantage of the communists. The first two efforts are already being made. The third attempt, that of a red scare, has been mentioned only once so far, that being several weeks ago by Mr. Irénée Du Pont. It does not seem credible that of all people these men can work up a red scare over an investigation of an industry which has not even a shred of patriotism left to it. Yet stranger things than that have happened. Will the American people let any of these three attempts to stifle the investigation succeed?

This munitions investigation is much like the glimpse a surgeon gets when he operates for a specific malady. He not only reaches that malady, but he is able to discover whether or not it is due to deeper causes. We are now discovering in this operation that there are much graver conditions with which we must not fail to deal.—*Extracts, see 4, p. 288.*

by The Union of Democratic Control

London, England

THE advantages of making armaments production a State monopoly, which would necessarily follow any scheme to put arms under international control, but which could be carried out by individual

States even without internationalization, are sufficiently obvious. The sinister influence of armament firms would disappear; the secret encouragement of fear and of militarism in each nation by armament firms; the bribery of journalists and officials; the opposition to disarmament by interested persons in every country—all this would disappear. The taxpayers' interest in economy would act as a more efficient check on militant patriotism. There would be no vested interest in war; no class of persons waiting to reap financial advantages from slaughter.

So far the steps taken towards public control of armaments are only laughable. Armament manufacturers have not been in any way inconvenienced as a result of the acceptance by the British and several other Governments of a rule that the manufacture and export of arms must be licensed by the State. So far this rule has been carried out to the complete satisfaction of manufacturers and Governments.

It is, in fact, nothing but a war provision. It provides the Government with useful information, and it would, if a war was imminent, enable a Government to stop the last-minute provision of arms to an enemy power. Similarly, it is childish to imagine that the compulsory publication of shareholders, also recommended by the League of Nations and already legally required in this country (England), can act as any safeguard. Few people know anything about the lists in Somerset House, and even those who consult them are not much wiser about the individualities concealed under the names of banks which hold large blocks of shares. Nor does the fact that the balance sheets of armament firms, most of which are public companies, have to be audited and published keep any armament manufacturers awake at night. Auditors combine discretion with accuracy and we have not needed a Hatry case to prove how easily even the most honest and efficient auditors can be prevented from discovering the less public or reputable activities of the firms whose accounts they audit. And if auditors themselves are ignorant, how much can the public know of the facts concealed by innocent words such as "depreciation," "reserve," "investments in subsidiary companies," and so on?

The recommendation that "those in control of private manufacture should be prevented from controlling or influencing newspapers" is a charming piece of *novelté*. One does not need to hold shares in a newspaper in one's own name to influence its policy. It might be possible legally to prevent any one holding the position now occupied by M. de Wendel in the French Press, but even so you cannot prevent armament manufacturers being the friends and the financial backers of newspaper proprietors.

Nor have the subsequent efforts of the League proved more fruitful. The suggestion that all private manufacture of arms should be prohibited was rejected by the Commission on the ground that it penalizes those countries which could not manufacture all the arms they required for themselves. In other words, the sale of arms would be directly subject to public policy and small countries would be unable to arm except with the good will of the big Powers. Would that be a bad thing? It would at least make the arming of a small Power a deliberate act of will on the part of the great Power; it would no longer

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Report, Roosevelt's Committee, *Cont'd*

has contributed to a great increase in the design and construction facilities of American aircraft manufacturers. The number of civil and commercial airplanes produced is, however, not sufficient to maintain to any appreciable extent a satisfactory nucleus of an aircraft industry.

In the opinion of the committee the major measure to insure the existence of a satisfactory nucleus of an aircraft industry in the United States is the establishment, with the President's approval, of an annual program of procurement for the Army and Navy. If these programs are based on the normal annual replacement of the Army's airplane strength, as recommended herein, plus that of the Navy, the committee believes that the airplane industry of the United States can be maintained on a sound basis and adequate from a national defense viewpoint. The production orders covering this number of airplanes distributed to those firms essential to national defense will assure a continuity of production and stability in the aircraft industry.

The Government should encourage the development of design and engineering staffs in the various airplane factories by a more liberal policy of placing experimental orders for prototypes on a basis on which the Government bears in full the proper cost of development. Such experimental contracts should also provide for changes and additions ordered by the Government, at proper increases in contract prices.

In view of the importance of the aviation industry to the national defense the committee believes that the Government should not enter into competition with private industry by the manufacture of airplanes in Government factories. In the same connection the committee believes that it would be advisable for the Department of Commerce to encourage further the airplane export business.—*Extracts, see 11, p. 288.*

Editorial, Collier's Weekly

October 27, 1934

A GREAT cause has been ill served by the preliminary hearings of the Senate Munitions Investigation Committee. Members of the Committee have said that publicity was necessary in order to persuade the next Congress to make a large appropriation for a more searching inquiry. So without adequate preparations they staged their publicity show. The control of armaments is too vital an issue to be put in jeopardy even by senators in search of appropriations.

An intelligent investigation of the munitions industry can be of vast service to the United States and to the world. Our government and all governments have purchased material designed to be used for the national defense from private manufacturers. The munitions makers have of necessity had peculiarly intimate and often

secret relationships with our government and with other governments.

It should be highly useful to examine and to consider publicly these relationships. For many years responsibility for fomenting wars has been imputed to the munitions industry. A searching inquiry might establish the truth or falsity of this belief. Whatever the facts are they should be publicly recorded.

The actual record of the first hearing, however, was a shocking example of political irresponsibility. The worst chapters of yellow journalism reveal no more frivolous attempt to exploit great names. Not even King George escaped the Committee's sensation-mongering. It was proved that the reigning British monarch had entertained a Polish diplomat. Somebody thought that the King was trying to wangle an order for the English munitions makers.

The names of various South American officials were light-heartedly and light-headedly brought into the inquiry. The natural result was to stir up a vast irritation among South Americans against the United States. The Buenos Aires newspaper, *Nacion*, remarked editorially:

"In the atmosphere of scandal which has been created around the United States Senate Committee the mere mention of any name, even if not connected with anything improper, is enough to cause the name to assume a dishonorable character in the public imagination. A large number of honest officials in the line of duty have had to treat with the representatives of munitions factories. No matter how honorable their dealings were, the mention of their names will tarnish their reputations."

This is a true and a moderate comment. Cordell Hull, Secretary of State, brought the complaints of foreigners to the attention of the Senate Committee. The Committee undertook later not to give out the names of men mentioned in a letter referring to a South American transaction. Instantly the newspaper reporters protested. The senators were in a quandary. They found it difficult to please both the reporters and the State Department.

That an important government inquiry should be conducted for the purpose of providing daily journalistic sensations is not reassuring. This Committee, however, has frankly chosen publicity. The Committee refrained from employing a lawyer to take charge of its investigation because some of the senators wanted personally to question the witnesses. The senators craved the newspaper credit which might otherwise have gone to the examiner. Yet they represent what was once called the most dignified deliberative assembly in the world!

Yellow journalism is not good enough for the Senate or for the country. The control of armaments must not be deferred. It will be indefinitely delayed if by incompetence or unfairness the Senate Committee discredits the inquiry. Already enough irritation has been aroused in various countries to increase immeasurably the difficulties of bringing about an international agreement. Without international agreement there will not be any control of armaments.

Hitherto we have relied largely upon manufacturers to supply munitions when we needed the implements of war.

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Union of Democratic Control, *Cont'd*

be possible for a Government to ride off on the excuse that it could not interfere with private enterprise.

Subsequent discussions at Geneva have shown a tendency to move backwards rather than forwards as far as private manufacture of arms is concerned. In December, 1930, when the subject was included in the Draft Convention on the Limitation and Reduction of Armaments, the recommendations were actually less drastic than in 1925. They proposed that publicity for war material was to be allied to *value* only, whereas it had been suggested in 1925 that Governments should give figures of number and weight as well as of value.

It is indisputable that private armament firms, no matter how reputable and incorrupt, depend for their prosperity on the perpetual exasperation of international fears and suspicions: they live upon that armament competition which saps the world's economy, they thrive upon war scares, and they must have occasional wars. It is indisputable, too, that the private armament firms, with their potent financial and political backing, can and do maintain such fears and suspicions between the nations, and do thus continually endanger the world's peace. It is indisputable that they afford to the War Departments in the countries where they operate the means for the rapid expansion of armament production in time of crisis: and Governments which can rely upon thus augmenting their war supplies are the more likely and the more ready to strike a sudden blow against their neighbors.

If Governments wish us to believe in their sincerity when they preach peace and discuss disarmament, they must begin by abandoning their unholy alliance with the vested interest in arms. As rulers who have renounced war, they must also renounce the supposed advantage of having a private organization capable of immediate expansion and use in the event of war. They must cease to pretend that a Disarmament Conference is a meeting of statesmen to adjust minor differences and openly proclaim themselves the enemies of the vested interests in armaments. These vested interests are powerful enemies, not stage dummies and their defeat and subjugation is an essential part of any genuine scheme of disarmament.

If Governments fail to abolish the private manufacture of arms, what is the alternative? Another war for "King and Country," for "Fatherland," for "Liberty" and all the other time-dishonored battle cries? Perhaps. But there is another possibility—the possibility of which M. Vandervelde spoke at the Disarmament Conference when he declared that the workers would not again take up arms—at least not against each other. He appealed significantly to the "prudence" of statesmen. If that "prudence" is lacking, if armament firms are allowed to continue to foment national fears and hatreds, to create scares of war between populations which have no quarrel with each other, may not the next appeal to the warlike passions of the nations prove and justifiably prove to be the signal not for war, but for revolution?—*Extracts, see 5, p. 288.*

by Viscount Cecil

Chairman, League of Nations Union
England

SURELY it is abundantly clear that, so long as the manufacture and sale of the means of destroying human life provide this immense scope for private profit, all efforts to organize peace are bound to fail; the competition in armaments will almost certainly continue with its inevitable result. It is not enough to declare, as does the Covenant of the League, "that the manufacture by private enterprise of munitions and implements of war is open to grave objections." All men and women who have any sense of human decency must unite to demand that the profit shall be taken out of war.

It may be said that it is impossible to remove altogether from private enterprise the manufacture of arms in all its stages, from the raw material onward. I agree. But I can see no reason why the completion and sale of any warlike weapon or ammunition should not be in the hands of the State, as indeed the French, Spanish, Polish, and Danish governments jointly proposed to the Disarmament Conference. Were governments directly responsible to their own electorate and to an international authority for the making of all armaments within their territories in this strict sense, and for all exports and imports of arms, it would, I believe, be a great step forward in the direction of clean international politics. That armaments should be made and sold for private profit is in the highest degree against the public interest.

How then are we to put an end to this abominable system before it puts an end to us? It took a civil war to stop slavery in the United States: but even so the curse of the slave trade would not have been eradicated if public opinion had not been educated to regard it as something essentially cruel and dishonorable. A decade before the final abolition of slavery in the British Empire, hundreds of eminently respectable ladies and gentlemen—the commercial aristocracy of Liverpool, for instance—were shareholders in the slave trade without any twinge of conscience. It was by a passionately sincere, incessant appeal to the better nature of man that Wilberforce and Clarkson achieved the great reform. They succeeded in making it shameful to have any dealing with the commerce in human beings. So must we labor now.

No doubt at certain times and in certain circumstances there is nothing dishonorable in supplying the reasonable needs of a government for weapons of defence. Neither is the manufacture and sale of noxious drugs necessarily wicked. But experience has shown, both in one case and the other, that the merchandise of these things leads to the unscrupulous stimulation of the demand for them. We must use every available means to drive into the hearts and minds of our fellows the conviction that to seek profit from the slaughter of our brother men is an even greater sin and crime than to batten on the vice of drug addiction.—*Extracts, see 9, p. 288.*

Collier's Weekly, *Cont'd*

Perhaps the manufacture of munitions ought not to be a private business. Munitions-making may be an enterprise which can be more properly conducted by governments.

So long, however, as munitions-making is a private industry, it will be conducted in accordance with the traditions and rules of private business. It will seek export markets and it will be aided by governments and by public opinion in its search for foreign trade. Perhaps we have arrived at the point at which as a nation we prefer to abandon the profits of this export business. If we have, the decision will be a new one. Surely, however, the matter should be considered carefully.

Public opinion in the United States and in many European countries is profoundly concerned in laying a firm foundation for enduring peace. Everything practicable should be done to accomplish this honorable purpose. Rightly conducted, the Senate arms inquiry can be made to contribute mightily to this end.

Worse than nothing will result, however, from irresponsible headline hunting. Certainly good will toward the United States will not be developed by the publication of gossip letters imputing dishonor to the representatives of other nations.

Surely full consideration of all the circumstances should be made before a committee of our Senate ventures to hold up to contempt officials of governments in South America, Europe and Asia. We might, in fact, obey the Biblical injunction concerning the mote and the beam. When our own thinking is straight and our behavior correct, we shall be better prepared to act as a censor of morals for the world at large.—*Extracts, see 8, p. 288.*

by Irénéé du Pont

Chairman of Board

E. I. du Pont de Nemours & Co.

My opinion is that a government munitions monopoly would hurt preparedness. If you lean on a government bureau or the army or the navy for preparedness, when war breaks out, for building up from the minimum amount to get war developments under way, you are going to overwork that personnel so that you cannot train and recruit troops. And, in the endless preparation for war, the bureau having charge of government plans, you might say, will have become a system like the Postoffice. I never heard of a postmaster being moved up from Chester, Pennsylvania, to Providence, Rhode Island. There is no orderly advance in bureaucracy and there cannot be any.

I am not critical of them. It is a part of the system. You have appointed postmasters and did you ever select one of the opposition party who ought to be moved up from a smaller town? Could that be done and could a political party attempt to do that and survive? That is bureaucracy. You will have an enormous bureaucracy manufacturing munitions, and if you do not have that bureaucracy you must put the task on the service men,

the army and the navy. This will greatly increase the army and navy personnel which I believe would be all to the good, but those recruits are the men you must train for soldiers and sailors and get them under way in time of war.

For the government to prepare the thing they have got to call on an organization and have the personnel for the organization. The plants are not as important as the organization. The du Pont Company was able to function during the war only because we had a loyal organization. We knew each other and each other's capabilities and could work as a unit. It is the men of our organization, not Lamont du Pont, nor I who do it, but the organization trained to work together. You would be sunk if you possibly went from one kind of manufacture to another and expected to get a whole new organization in time of war and get it functioning. You must bring in a large body prepared to act in time of war.

Our organization for the making of powder alone started with perhaps fifteen thousand men knowing each other thoroughly and from 1914 to 1918 I suppose we had eighty-five thousand men, but very much more efficient than they would have been without the original nucleus of the organization.

I cannot believe it possible that a bureaucracy, where the head men are constantly changed by election, could get as great efficiency as under continuous management, running maybe for some three generations, as in the case of the du Pont Company, where the same principles are applied and the men at the top are expected to work just as hard, if not harder, than most of the men under them. I think it has been demonstrated that it has been a wonderful thing. Organization is just the difference between success and failure. We saw that during the World War. The job was not done by the men at the top but was done by organization.

It was shocking to me to go down to Washington during the war. The waste motion and the buck passing made me sick. Nobody wanted to make a mistake which would be chalked up against him. What was the result? Nobody took the initiative. It was very difficult to get men to take the initiative. I think the danger of a central tyranny with all power, is that we become slaves to that power.—*Extracts, see 10, p. 188.*

by Captain Hoffman Nickerson

New York National Guard

TODAY much popular writing assumes that in order to be warm in the heart one must also be soft in the head. The means for doing things are constantly confused with the ends for which the things are done. Symptoms are mistaken for causes and secondary causes for primary ones. It has been well said that unwillingness to use the mind soon becomes inability. People

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by Richard R. Wood

Executive Secretary, Friends' Peace Committee,
Philadelphia, Pa.

THE elimination of the private profit from munition making has been proposed. The proposals, when examined, have boiled down to schemes for the immediate complete mobilization of the nation, its military, industrial, and human resources, in the event of a national emergency. Aside from the threat to fundamental civil liberty latent in any proposal for the subjection of the entire nation to military control at the mere declaration of a national emergency, even when supported by a majority in Congress, these suggestions involve the dangerous disadvantage of calling for what amounts to an automatic mobilization of the entire nation just at the moment when a possible dispute becomes critical, and when the entire force of the nation's energies ought to be directed toward finding a peaceful solution of the difficulty and settling it by peaceful methods. Since, with modern weapons and military organization, mobilization almost automatically means war, the danger inherent in these schemes for eliminating war profits is apparent.

Somewhat allied to this difficulty is the fact that the private manufacture of munitions can be regarded in other countries as a risky speculation. The sales may not come up to expectation. The market may not be found. But government manufacture is likely to be regarded as evidence of some definite policy, and thus to increase the danger of disastrous competition in armaments.

Both of these objections would probably tend to disappear with the conclusion of an effective international agreement for the reduction and limitation of armaments. The solution of the problem of munitions does not and cannot stand alone. It is linked with the problems of preventing war and reducing armaments.

Another possible objection to the elimination of the private manufacture of munitions is the likelihood that it would increase, instead of decrease, the number of people with an active personal interest in the manufacture of munitions. This paradoxical result comes about in two ways.

In the first place, should the private manufacture of munitions be eliminated, it seems inevitable that government munitions plants would be built extensively. We have had many illustrations of the difficulties of curtailing or abandoning navy yards or army posts which military efficiency suggests shutting down, because of the political pressure exerted by their employees and by business interests in the surrounding communities. This pressure would be increased as the government munitions plants were extended. Government economy at the expense of private firms seems easier to carry out than government economy at the expense of government institutions in which surrounding communities have come to feel a vested right. The obstacles to disarmament might remain, even were the munitions industry nationalized.

Moreover, the elimination of the private manufacture of munitions merely moves the focus of private interest

one stage back in the manufacturing process. There is no clear line between munitions and articles of peaceful commerce, as the United States re-discovered to its sorrow as it strove to be a neutral during the first years of the World War. The difficulty of drawing the line appears in the case of a battleship or pursuit-plane. Both are clearly weapons of war. But what about their engines, which are quite similar to those used in ships of peaceful commerce? What about the steel from which the engines are made? The process continues, until it appears that the only method of completely eliminating the interest in the private manufacture of munitions would be the establishment of the completely socialist state.

It thus seems that the private interest would only be shifted, and not eliminated, in the substitution of public for private manufacture of munitions, and that the employees of government munitions plants and the communities surrounding them would tend on the whole to increase the active personal interest in the manufacture of munitions.

The encouraging success of the efforts of the nations to control the traffic in opium suggests a possible approach to the problem of munitions. Opium may be exported only under license from the government of the exporting country, and export licenses are not issued unless the government of the country to which the shipment is destined has already issued an import license for a corresponding quantity of the drug. Thus the police powers of both exporting and importing countries are enlisted to suppress smuggling, and the amount of opium available for the illicit traffic with victims of the drug habit has been decreasing.

It is believed that similar regulations could be imposed on the traffic in arms and munitions. Most weapons are at least as hard to smuggle as drugs, so effective regulation of the traffic appears possible. No one nation can regulate the traffic alone. Effective, continuous participation in the work of some international control body, probably under the auspices of the League of Nations, would be absolutely essential.

More important, though impossible to achieve by legislation, is a standard of business honesty which would prevent executives of patriotic and philanthropic organizations from working at the same time, but quietly, for firms engaged in the munitions business. The absence of this sort of a sense of honor has contributed to the present confusion, in so many minds, of patriotism with the advocacy of jingoistic preparedness. Investigations such as the present one may help develop this much needed standard of honor.

Some such program as this, coupled with effective participation in the development of methods for the peaceful settlement of disputes and in efforts for reduction and limitation of armaments by international agreement, appear to offer possibilities of real progress toward a solution of the problem of munitions. The program is not spectacular, but the problem is a persistent one in which spectacular methods are likely to fail.

Pro continued on page 284

Nickerson, *Cont'd*

who sell poisonous food or liquor are deservedly punished but those who peddle nonsensical ideas are praised (and often well paid) as lofty "idealists." If anyone points out their absurdities they try to howl him down as in league with the powers of darkness. Nevertheless the refutation of error is always useful, so let us assume that we have some male or female sob sister before us, like a witness who must answer a few simple questions.

First then what are weapons and munitions? They are instruments of war. And what is war? It is organized force used between two human groups, each seeking to impose its will upon the other. Modern weapons are elaborate and costly, yet. But that is because the modern world possesses great command over nature through physical science, complex industrial technique, and greater wealth than any previous period known to history. In every age the tools of peace have been potential weapons, the stone axe and the knife as much so as the metallurgy, the chemical, and other knowledge which serves us today. But did war begin with our complex modern fighting machinery? Every school child knows that it did not. And would war cease if—by miracle—every weapon on the planet were to disappear? Obviously not. Rifles and cannon, tanks, warships and airplanes are not living creatures with wills of their own which go about the world attacking one another; they are only tools in the hands of men. Man is a more unstable compound than TNT; his envies and hatreds are more poisonous than any gas ever dreamed of. But men and women ought not to envy and hate others! Most certainly, dear reader, they ought not. But they do.

Accordingly to say that arms cause war is like saying that police forces cause crime or fire engines fires; no human group would arm merely for the fun of the thing, all do so because of some policy, some desire to influence other groups or to avoid being influenced by them. The importance of armament is entirely relative: if group A be better armed than B, the superiority will greatly influence their relations. But if both are about equally armed or disarmed their status cancels out. Imagine two groups unable or unwilling even to pick up sticks and stones but furiously hostile; nothing could prevent their killing each other off to the last man with their hands, feet and teeth—if they chose. Historically the simplicity or complexity of weapons has had absolutely nothing to do with the savagery of war. When the Romans, in the agony of their attempt at a self-governing republic, repeatedly massacred each other throughout a century of atrocious civil wars, when the fierce Mongol warriors of Timur and Genghis Khan built their great pyramids of severed human heads, these doings were the aftermath of battles fought with weapons very primitive compared with ours. Only three centuries ago the Thirty Years War killed off three quarters of the population of Germany, to an accompaniment of plagues, cannibalism, etc., etc.—all this notwithstanding the crudity of Seventeenth Century cannon and muskets. Negatives are hard to prove but there seems no instance in history of a single war directly caused by armaments. Certainly the American colonies were not heavily armed in 1775, or the North and South in 1860. Indeed had the Eighteenth Century British Government and the Nine-

teenth Century U. S. Government been better prepared, the American Revolution and the Confederacy would doubtless have been promptly suppressed without the prolonged conflicts which actually took place. In other words, armaments in the hands of governments tend to shorten civil wars; in certain cases they might tend to prevent such wars altogether. Even in the destruction of inanimate things, where one would expect high explosives to make a difference, we find that they do not necessarily do so; the Romans destroyed great cities like ancient Carthage and Jerusalem more completely than the Germans did little Verdun.

Having briefly reviewed these elementary truths, let us bring them to bear against a few common errors. How do the antiarmament people support their first charge (a) that munition makers are a chief cause of war, and (b) that the aforesaid munition makers act to prolong wars when begun?

Every error, however gross, must be mixed with a little truth in order to succeed. In the background of all present discussion of the problem of war are several important and obvious truths. The war of 1914-1918 was an irrational act. Its heavy sacrifices have borne no adequate fruit and yet another European war seems imminent. Obviously, munition makers did not invent intense national patriotism, and had nothing to do either with the trench stalemate which postponed the military decision, or with terms of the Treaty which has proved neither a peace of reconciliation nor one of destruction, i.e., destruction of Prussian power.

Meanwhile in the foreground are certain other truths. Every civilization which permits any international trade will produce some traders more or less internationally minded. It is in the nature of economic activity to overflow artificial divisions of the earth's surface such as political boundaries. All business must make profits in order to live, and the desire for gain may tempt men to forget their duties as citizens. But this does not mean that any particular men or group of men has necessarily played the scoundrel. There must be reasonable ground for suspicion and some real proof.

What does the bungalow-journalist make of these familiar truths? He says in effect: the peoples of the world are virtuous and innocent, their vices and follies, particularly the folly of irrational war, are inflicted upon them by a gang of devils known as the armament makers, whose "axioms . . . are (a) prolong war, (b) disturb peace." Granted that 1914-1918 war-time costs were excessively large and excessively slow in producing victory. Then assume the virtually impossible event of leveling all the smelters on both sides, so that the combatants as their weapons wore out had to use sticks, stones and such chance bits of metal as they could find. Certainly this would have made the fighting more primitive, but why on earth should more primitive warfare make for an earlier peace? In earlier and simpler times plenty of wars went on and on and on. In the matter of length, the twenty-three years of the Revolutionary-Napoleonic wars, the Thirty Years War, and the Hundred Years War—to name only three out of innumerable examples—are not encouraging.—*Extracts, see 12, p. 288.*

by William T. Stone

Washington Representative,
Foreign Policy Association

IN the course of three weeks' public hearings in Washington the Senate Munitions Committee has exploded more dynamite than the armament makers ever dreamed of producing. Whatever the final outcome may be, the opening phase of this unique investigation has brought out more information on the subject than has ever been exposed to public view before. It has confirmed virtually all the charges brought against the private armament industry in the past. The committee has demonstrated that the armament industry has fomented war scares, sold instruments of death to both sides in civil wars and international wars, bribed government officials at home and abroad, blocked armament embargoes, disregarded treaties of peace, interfered with disarmament conferences, lobbied for armament programs, employed spies in foreign armies, used army and navy officers as sales-promotion agents, profited at the expense of governments, participated in secret international agreements for splitting profits and dividing world markets, and sold patents and secret designs to foreign countries.

What will come of this investigation? The more immediate question is whether it will be allowed to continue. Pressure has already been brought and heavier pressure will follow. So far, the committee has not allowed itself to be deflected from its course. But the test will come in November when the committee plans to resume public hearings. Then the heat will be turned on in deadly earnest. It will be charged by interested parties that the investigation will inflict irreparable damage on American commerce in Latin America and throughout the world, that it will wreck American firms which are striving to keep their heads above water, that it will play into the hands of foreign competitors, and that it will undermine our whole system of national defense. It is quite likely that American armament firms will suffer a loss in foreign trade as a result of the Senate exposure—although more than one will doubtless continue to draw profits from its European associates and licensees. And the War Department may well fear the exposure of its existing system of national defense. For if the committee is to serve a useful purpose, it must inevitably examine the basis of our national-defense policy. When it does, it will discover that the War Department's mobilization plans are only remotely concerned with the defense of American soil, and that they are designed primarily to meet the needs of a mass army of four million men for participation in another world war in Europe or Asia. The munitions makers are indeed essential to that plan. They are part and parcel of the war system, as well as the profit system. In the final analysis they and their bloody traffic can only be curbed through a basic revision of our national policies.—*Extracts, see 3, p. 288.*

by "Pertinax" (André Géraud)

Special Writer, Le Temps, Paris, France

IN advocating manufacture of arms by private interests one does not have to pose as a defender of all those who have been engaged in the business, nor the acts of some of those who even now are engaged in the industry. In every walk of life there are those who seek, for the sake of profits, to stimulate their particular businesses by creating demand. There are "legitimate" and "illegitimate" stimulations. There are industries in which it is ethical and right to create markets, and others where it is desirable only to supply indispensable demands. The arms traffic should be classed among the latter.

Scandals have existed in the arms industry. But even greater scandals have existed, and continue to exist, in other so-called "peace industries." Who will deny that commercial rivalries for markets did not play an important part in precipitating the World War? Who dares deny that economic expansion is not today responsible for a great deal of the political tenseness which exists both in Europe and the Far East? Was it not the "boycott" of peace products that brought the Japanese armies into Shanghai? Is it not an international fight over oil and petroleum deposits that helps keep the Chaco in turmoil? The methods of commerce and industry in all realms are open to criticism and need reforming.

And—few people who pretend to know, will contend that there is less graft and corruption in politics than there is in industry. In fact, it has been largely because of corruptness in politics that crookedness has crept into private industry which has dealings with governments.

One argument is repeatedly advanced against government monopolies in arms manufacture. It is that today less than twenty nations can be classed as arms producers. The other fifty-odd nations of the world have to obtain their armaments from these countries. Their defense—both of internal order and against external menace—is dependent upon their ability to import.

Private business, honestly conducted, plays no favorites when it operates under international economic and commercial procedure as recognized by all governments. Consequently the only test of a nation's ability to arm itself is its ability to buy, and to pay for what it buys.

Since governments are swayed by national emotions, traditions, prejudices, and political expediences, non-arms producing countries more or less rightfully contend that they would be at the mercy of shifting and fickle political forces and factors if manufacture of armaments were vested solely in governments. Their only alternative would be to establish their own national armaments factories.

There is absolutely no reason to believe that the transforming of existing arms industries from privately-owned to government-operated concerns would remedy existing evils or reduce the quantities of arms now being produced. On the other hand, it is almost certain that new factories would be established, uneconomic national industries would be developed, drains on national budgets would increase, dangers of conflict would be multiplied, and the discrepancy in qualities of existing armaments would widen.—*Extracts, see 9, p. 288.*

• AFTERMATH:—

Status of Problems Featured in
the 1934 Volume of the Digest

ROOSEVELT'S GOLD POLICY

(January No.)

As the DIGEST goes to press interest in the financial situation is centered on the address of President Roosevelt to the American Bankers Association on October 24, in Washington, D. C.

Speculation as to whether further inflationary moves will be made continues but until the President states to the contrary there is no definite information on the subject. It is expected that more inflation legislation will be introduced in the coming session of Congress but the temper of Congress on the subject will not be known until after the November elections.

(February No., see next page)

FOOD AND DRUGS LEGISLATION

(March No.)

The Tugwell-Copeland bill to amend the food and drugs laws which was reported from committee to the floor of the Senate toward the close of the last session, but which did not receive consideration, will have to be reintroduced as new legislation in the next Congress.

Senator Copeland had hoped to have the bill passed by the Senate, at least, during the past session, but the legislative jam of the closing days made that impossible. If the Senate had passed the bill it would still have to be reintroduced, but the fact that it had been passed once would have made its repassage through the Senate early in the next session a fairly easy matter.

As it is, the fight will have to be made all over again.

That the fight will be made was assured by Assistant Secretary of Agriculture Rex G. Tugwell in a letter he wrote to the personnel of the Food and Drugs Administration of the Department on June 19, after Congress had adjourned. In this letter Dr. Tugwell wrote:

To the Personnel of the Food and Drug Administration:

It is a source of great regret to me that we have up to now failed to secure from the Congress legislation redefining the duties of the Food and Drug Administration. It had been my earnest hope that this might be done in the session which has just closed. It was made impossible both by the pressure of other business and through the opposition of the interests which would have been controlled by the legislation. I wish to assure all of you, however, that the efforts of the administration to secure a satisfactory law have not ended. They have only begun. You will have to work for a while longer with the antiquated and awkward law now in force. You will do it, I know, with the same energy and patience you have used in the past. But sooner or later we shall have an adequate law under which to work in our efforts to protect the consumer. I shall work for it

and so, I am sure, you will, as far as is consistent with your obligations. This is, therefore, a message of regret, but also one of hope.

R. G. TUGWELL.

June 19, 1934.

NATIONAL DEFENSE

(April No.)

The important impending event in connection with national defense is the London Naval Conference now in session. This conference is meeting for the purpose of revamping the Washington Treaty for the Limitation of Naval Armaments, negotiated in 1922.

The agreements for reduction in navies reached in Washington were limited to the period ending in 1936. Unless new agreements are reached at the London conference each naval power will be free next year to build as big a navy as it chooses.

FEDERAL SECURITIES

(May No.)

The Federal Securities Commission, organized immediately after the passage of the Securities Control Act, has completed its task of either bringing all exchanges under the provisions of the new law or has exempted certain exchanges from its operations and is now working on rules and regulations for floor practices on the exchanges. All securities listed on exchanges have either been registered or refused registration.

The outstanding case of security registration involves the bonds of the Brooklyn-Manhattan Transit Company, which operates the New York and Brooklyn subway system. These bonds are being used as a test case for some of the provisions of the new law.

THE "NEW DEAL"

(June No.)

Practically every phase of the New Deal is under daily discussion in political platforms, in the press and over the radio as the Congressional campaign moves into its final stages. Following the elections the Administration will take stock and its future program will be announced by the President when Congress convenes in January.

In the meantime several important cases affecting "New Deal" legislation are awaiting decision in the Federal Courts.

Continued on next page

FEDERAL AID FOR EDUCATION

(Emergency, February No.)

Appeals from State Superintendents of Education of the Federal Emergency Relief Administration for the several drought affected states for immediate aid from schools in these states resulted in an order from Federal Relief Director Hopkins for a careful study of the needs of each case. Until this study is completed no decision will be made by the Relief Administration.

(Permanent, September No.)

In the interest of National Extension University Association and National Forensic League debaters, *School Life*, published by the United States Office of Education, will, in its November number, publish a further reading list on "Federal Funds for Education" prepared by Miss Martha McCabe.

W. H. Gaumnitz of the Office of Education, has assembled the following summary of the pros and cons on Federal aid to States for elementary and secondary education:

Arguments for Federal Aid

1. A great emergency exists in education. Federal aid is needed to keep large numbers of schools from closing either for a part or all of the present school year. Local and State funds are insufficient, assessments have been lowered, taxes are often uncollectable. Closed schools mean that many unfortunate children will lose their educational birthright.
2. Education is so fundamental to the welfare and perpetuity of a democratic form of government as to be of National rather than State concern. The mobility of our people, the industrial and economic interdependence of the several States, the enormous developments in transportation and communication, all tend to make a modern coordinated and nationwide system of education a present National concern.
3. The "general welfare" clause of the federal constitution clearly comprehends any public function so far-reaching as education. Since its beginning the Federal Congress has made grants of land and aid to public education which now total more than 40 millions of dollars annually. The right to promote education through federal subsidy has never been successfully challenged in the courts on constitutional grounds. Federal aid has been successfully given to education throughout the entire history of the Nation. It has definitely become an established national policy.
4. Federal aid to education is necessary as a means for equalizing the burden of providing equal educational opportunities regardless of where our children live. Indices of wealth and income reveal that the richer States have 5 or 6 times more ability to purchase educational advantages for their children than the poorer States.
5. Federal aid can be given on a population or attendance basis without exercising any control over the schools or their activities. Such aid need not become a means of controlling education.
6. If federal aid to schools is to be given for specific purposes a policy should be adopted of stimulating a desired activity, especially in the backward States, and then discontinuing the subsidy when the desired objectives have been achieved.
7. No one wishes to employ federal aid to the schools as a means of exercising bureaucratic control over education. The administration of the schools would continue in the hands of State authorities. The federal government would only exercise general oversight to see that money was used for the purposes intended, similar in type to the supervision exercised in connection with federal highways.

Federal bureaus are singularly free from politics. The civil service examinations under which federal officials are selected tend to emphasize high-grade preparation and professional ability.

Arguments Against Federal Aid

1. If an honest effort were made by the several States the education of all their children could be adequately cared for. Many States declare that they are amply able to finance their schools; others have shown that through new taxes sufficient funds can be secured. Social services other than education have also been curtailed by the depression.
2. In a democracy it is unsafe to allow control of education to fall into the hands of the central government. A democracy is essentially political. If education were to come under the domination of any political group or party free representative government would soon suffer. Control the schools and any desired "ism" can be established.
3. The framers of the constitution refused to admit general education to the sphere of federal responsibility. Education was not even mentioned in the constitution. Moreover, constitutional authorities as well as a large number of court decisions have definitely placed responsibility for public education upon the State governments. Since Congress is constantly being pressed for additional subsidies to education the constitutional and other fundamental issues involved should be most carefully considered.
4. Within many States there are rich school districts as much as 200 times more capable of purchasing education for their children than others. The federal government cannot be expected to assume responsibility for equalizing educational opportunities until greater efforts are made to equalize within the States. Moreover, uniformity or standardization would be deadening.
5. A certain amount of control naturally always accompanies any funds appropriated by Congress. When the purposes for which such funds are to be used have not been designated or their expenditure audited waste and misuse have resulted.
6. Federal grants once given have nearly always found a way to perpetuate themselves. The bureaus established, the offices created, and the appropriations made, all tend to show interest in becoming "bigger and better" rather than to permit decrease or discontinuance.
7. It would be most difficult to find an equitable and just basis on which to apportion federal grants. Unless the purposes for which grants are to be used were definitely designated the funds would probably be misapplied. If the purposes were designated investigation, supervision, and interference would surely follow. A bureaucracy would be established. Federal officials would tend to dominate State educational activities. Standardization would result. Local initiative and experimentation would be discouraged. It would be unfair to tax the States which have been progressive in education to help those which have made comparatively little effort for good schools.

POWER UTILITIES

(October No.)

The Federal Power Commission is going ahead with the nationwide surveys inaugurated some months ago. The most important of these are the surveys of all the power resources of the United States, developed and potential, to be followed by recommendations to the President for their coordination and economic development.

Other surveys under way are covering the cost of electric distribution and the electric rates in effect throughout the country which, when completed, will show what consumers in different localities are paying for electric service.

● THE STUDENT'S QUESTION BOX:—

Q. How will the House of Representatives choose a Speaker to succeed the late Henry T. Rainey of Illinois?

A. Article 1, Section 2, Paragraph 5 of the U. S. Constitution provides:

"The House of Representatives shall choose their Speaker and other Officers; * * * *"

The House always elects its Speaker by a viva voce, roll call vote. While the Constitution does not provide that the Speaker shall be a Member of the House, none but a Member has ever been elected Speaker.

Under the present system each of the two major parties nominates a candidate for the Speakership on the day agreed upon to elect. After the nominations have been made the voting is proceeded with and the candidate of the party having the majority in the House is elected.

Usually the fight prior to the making of the nominations is the real fight. The majority party generally finds itself faced with several candidates for the party nomination. A family row ensues and this must be settled within the ranks before the House meets in order that the full support of the party may be given its nominee.

These contests within the party for the nomination are settled in a party caucus behind closed doors, as a rule, and when the family contest is over the winner emerges as the party nominee.

In the present instance, with all indications pointing to a Democratic majority in the next House, the Democratic members of the House are facing a contest within their ranks. Already there are several candidates, the most outstanding being Representative Joseph W. Byrns of Tennessee, the Democratic floor leader, and Representative Sam Rayburn of Texas, chairman of the Committee on Interstate and Foreign Commerce.

The way these campaigns for party nomination actually are carried on is this:

As soon as the elections are over prospective candidates and their intimate friends will dash to Washington and begin canvassing the Democratic membership of the new Congress. By telephone, telegraph and mail they will get in touch with Representatives-elect all over the country in an effort to pledge to their support a majority of the party membership.

If there are three or more candidates in the field, each with appreciable support, none may have a majority in the party caucus. With such a situation, trading begins. A candidate with a big bloc of votes may prevail upon a candidate with a smaller bloc to withdraw with the understanding that if his supporters are thrown to the one with the big bloc, the big bloc man will have his supporters vote for the little bloc man for the chairmanship of an important committee.

Sometimes nobody will withdraw and a long drawn out contest in the party caucus follows. Usually, however, after receiving support on a few ballots, the lesser candi-

dates, by prearrangement, drop out until one of the leading candidates can register a majority of the votes.

Party leaders never like to see a long drawn out contest because it is apt to engender bitterness that creeps out later in the session, so they always do all they can to bring the party voting to a close as promptly as possible.

Q. If a member of the House or Senate is defeated for reelection this year, how long does he continue to draw his pay?

A. He draws his pay up to the day the new Congress begins, which is January 3, 1935, on which date the terms of the present members of the House and one-third of the members of the Senate expire.

If, for example, Congress were to be called into extra session by the President at any time between now and next January, even if the call came after the November elections, the members of the present Congress would serve and not the members of the next Congress. Consequently as long as a member is liable to serve he receives his pay.

Analysis of Problem with Study Outline

Continued from page 258

A bill introduced by Senator Vandenberg at the last session to take the profit out of the manufacture of munitions was referred, at his request, to the Committee on Military Affairs, a precedent for whatever legislation the Munitions Committee may report.

If, for example, the class desires to consider legislation for government ownership it may draw up a brief bill as follows:

Be it enacted by the Congress of the United States:

Section 1. On and after the passage and approval of this Act all munitions of war used by the armed forces of the United States of America shall be manufactured by the United States Government.

Section 2. The sum of — Million Dollars is hereby appropriated to erect and maintain the necessary Government plants, factories, etc., for the manufacture of munitions of war.

If the class desires to consider a resolution for a treaty for control of traffic in arms, they may find the text in the summary of the pending treaty on page 261.

Glossary of Armament Terms

Continued from page 264

6. Projectiles and ammunition of the arms enumerated in No. 5 above.

7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles.

8. (a) Grenades;

(b) Bombs;

(c) Land mines, submarine mines, fixed or floating, depth charges;

(d) Torpedoes.

9. Appliances for use with the above arms and apparatus.

10. Bayonets.

11. Tanks and armoured cars.

12. Arms and ammunition not specified in the above enumeration.

B—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

Category II. Arms and ammunition capable of use both for military and other purposes

A—1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length of barrel greater than 10 cm.

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I; other rifled fire-arms firing from shoulder, of a calibre of 6 mm. or above, not included in Category

I, with the exception of rifled fire-arms with a "break-down" action.

3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I.

4. Swords and lances.

B—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

Category III. Vessels of war and their armament

1. Vessels of war of all kinds.

2. Arms, ammunition and implements of war mounted on board vessels of war and forming part of their normal armament.

Category IV

1. Aircraft, assembled or dismantled.

2. Aircraft engines.

Category V

1. Gunpowder and explosives, except common black gunpowder.

2. Arms and ammunition other than those covered by Categories I and II, such as pistols and revolvers of all models, rifled weapons with a "break-down" action, other rifled fire-arms of a calibre of less than 6 mm. designed for firing from the shoulder, smooth-bore shot-guns, guns with more than one barrel of which at least one barrel is smooth-bore, fire-arms firing rimfire ammunition, muzzle-loading fire-arms.—*Extracts, see 14, p. 288.*

How America Has Procured Munitions Since 1774

Continued from page 260

Government powder contracts but found nothing wrong. The du Pont Company was among those investigated.

1846—On May 12, 1846, the United States declared war against Mexico. For the two years of the war the United States forces were equipped entirely with home-produced arms and ammunition.

1861—The approach of the Civil War in 1861 found neither side well prepared. Both sides bought saltpeter from England. When war was declared the Confederacy seized all forts and arsenals in the Southern states, and as time went on, developed its own manufacture of powder and arms. Both sides operated Government munitions factories and also bought from private manufacturers and from foreign firms. The Confederacy bought supplies abroad, running the Union blockade whenever possible. For several years prior to the Civil War the United States Government had been buying various types of small arms from abroad.

1898—When war with Spain came in April 1898, the army and navy were working with the du Ponts and other manufacturers to develop smokeless powder, but as

there was not enough on hand for general use, the obsolescent brown powder was used, together with what smokeless powder was available. The Government had a sufficient supply of artillery and small arms, but much of its transport work and coal carrying was done in chartered foreign merchant ships.

Various Congressional investigations into Army and Navy contracts followed the Spanish War, but those which uncovered the "embalmed beef" and the controversy between Admiral Samson and Admiral Schley over the conduct of the naval engagement in Havana Harbor, overshadowed the question of munitions.

1917—The procurement of munitions of war for the World War became so vast a problem that arms and ammunition formed but a part of the whole. Supplies of all sorts were produced and used on so gigantic a scale as to make practically everything come under the head of munitions of war.

The principal Congressional investigation following the World War had to do with the sale of surplus war material.

Sources of Information for this Issue

Editor's Note: The Sources this month will be found on the next page, the inside back cover.

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- 1—(Nye) Radio Address, C. B. S., September 1, 1934.
- 2—(Borah) Congressional Record, March 5, 1934.
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- 7—(Editorial, Army Ordnance) Published by The Army Ordnance Ass'n, Washington, D. C., May-June, 1934 number.
- 8—(Collier's Weekly) Editorial, Oct. 27, 1934.
- 9—(Cocil)-("Pertinax") The Rotarian, Aug., 1934.
- 10—Iréné du Pont) Hearings, Senate Munitions Committee.
- 11—(President Roosevelt's Committee on Aircraft) Newton D. Baker, Chairman. Report.
- 12—(Nickerson) Army Ordnance, Sept.-Oct., 1934.
- 13—(Roosevelt) Message to Senate May 18, 1934.
- 14—(Glossary) Congressional Record, June 15, 1934.
- 15—(Rausenhush) Press Statement, Oct. 19, 1934.

Statement of Ownership

(Required by Act of Congress, August 24, 1912)

OF THE CONGRESSIONAL DIGEST, published monthly (except for months of July and August), at Washington, D. C., for October 1, 1933.

Before me, a Notary Public in and for the District of Columbia, City of Washington, personally appeared A. G. Robinson who, having been duly sworn according to law, deposes and says she is the Editor, Publisher and Owner of THE CONGRESSIONAL DIGEST and that the following is, to the best of her knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 443, Postal Laws and Regulations, to-wit:

1. That the names and addresses of the publishers, editors, managing editors, and business managers are:

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3. That the known bondholders, mortgagees, and other security holders owning or holding one per cent or more of total amount of bonds, mortgages, or other securities are (if there are none, so state). None.

A. G. ROBINSON,
Signature of Publisher.

Sworn to and subscribed before me this 22d day of September, 1934.

NELL V. PACE, Notary Public.

My commission expires May 18, 1936.

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